



*Quarterly Accounts*

*1<sup>st</sup> Quarter 2014*

## *Quarterly Accounts*

Part 1      Management Report

Part 2      Consolidated Financial Statements

## PART 1

### MANAGEMENT REPORT

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## 1. Overview of Semapa Group Operations

Comparison of leading business indicators with the same period in 2013:


Turnover: 468.9 million euros  2.1%

Total EBITDA: 93.8 million euros  4.4%

Recurrent EBITDA: 93.6 million euros  1.1%

EBIT: 53.1 million euros  1.9%

Net income: 17.5 million euros  43.6%

Net debt: 1,229.2 million euros  56.1 million euros (from December 2013)

The indicators presented for the 1<sup>st</sup> quarter of 2013 and at 31 December 2013 have been restated insofar that, as from 1 January 2014, as a result of IFRS 11 taking effect, the Supremo Group is no longer consolidated on a proportional basis, and is now included in the accounts by using the equity method.

### Business Indicators

IFRS - accrued amounts (million euros)	Q1 2014	Restated Q1 2013	Var.	Reported Q1 2013	Var.
<b>Turnover</b>	<b>468.9</b>	<b>459.1</b>	<b>2.1%</b>	<b>465.4</b>	<b>0.7%</b>
Other income	13.4	8.4	59.1%	8.7	53.5%
Costs and losses	(388.5)	(369.4)	-5.2%	(375.8)	-3.4%
<b>Total EBITDA</b>	<b>93.8</b>	<b>98.1</b>	<b>-4.4%</b>	<b>98.4</b>	<b>-4.6%</b>
Recurrent EBITDA	93.6	94.7	-1.1%	94.9	-1.4%
Depreciation and impairment losses	(40.4)	(43.3)	6.6%	(43.6)	7.4%
Provisions (increases and reversals)	(0.4)	(0.7)	51.9%	(0.6)	38.0%
<b>EBIT</b>	<b>53.1</b>	<b>54.1</b>	<b>-1.9%</b>	<b>54.1</b>	<b>-2.0%</b>
Net financial profit	(26.3)	(22.1)	-19.3%	(22.2)	-18.7%
<b>Pre-tax profit</b>	<b>26.7</b>	<b>32.0</b>	<b>-16.6%</b>	<b>32.0</b>	<b>-16.4%</b>
Tax on profits	(0.6)	(10.4)	94.0%	(10.4)	94.0%
Retained profits for the period	26.1	21.6	20.8%	21.6	21.1%
<b>Attributable to Semapa equity holders</b>	<b>17.5</b>	<b>12.2</b>	<b>43.6%</b>	<b>12.2</b>	<b>43.6%</b>
Attributable to non-controlling interests	8.6	9.4	-8.7%	9.3	-8.3%
Cash-flow	66.8	65.6	1.9%	65.8	1.6%
<b>EBITDA margin (% Sales)</b>	<b>20.0%</b>	<b>21.4%</b>	<b>-1.4 p.p.</b>	<b>21.1%</b>	<b>-1.1 p.p.</b>
EBIT margin (% Sales)	11.3%	11.8%	-0.5 p.p.	11.6%	-0.3 p.p.
	<b>31-03-2014</b>	<b>Restated 31-12-2013</b>	<b>Mar 14 vs. Dec 13</b>	<b>Reported 31-12-2013</b>	<b>Mar 14 vs. Dec 13</b>
Equity (before NCI)	904.3	880.7	2.7%	880.7	2.7%
<b>Net debt</b>	<b>1,229.2</b>	<b>1,285.3</b>	<b>-4.4%</b>	<b>1,324.8</b>	<b>-7.2%</b>

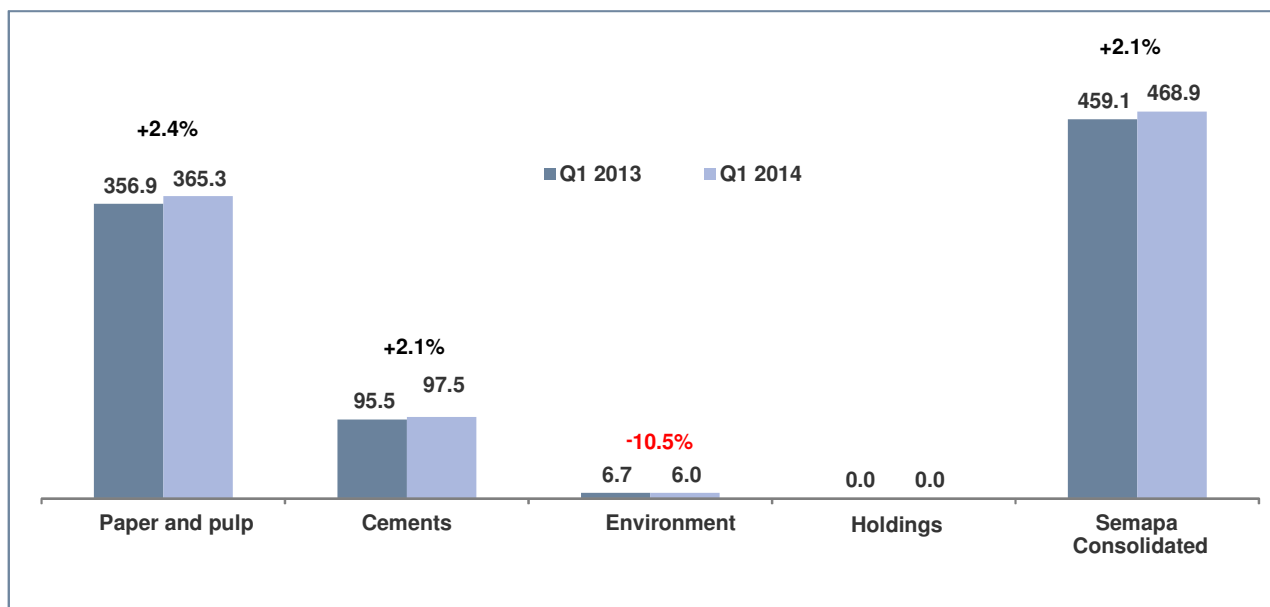
#### Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions (increase and reversal)
- Cash flow = retained earnings + depreciation and impairment losses + provisions (increase and reversal)
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents – market value of own shares in Semapa and Portucel and other securities held (Financial assets at fair value through profit or loss and Available-for-sale assets)

Under the new IFRS 11 rules, the Semapa Group now uses the equity method for including its holdings in jointly controlled entities in its consolidated accounts. The 2013 figures used for comparison have therefore been restated for ease of comparability. As a result of this change, the Semapa Group's holding in Supremo, previously consolidated on a proportional basis, is now included in the consolidated financial statements using the equity method.

**Consolidated Turnover: 468.9 million euros**  **2.1%**

#### Evolution and Breakdown by Business Area



Figures in million euros

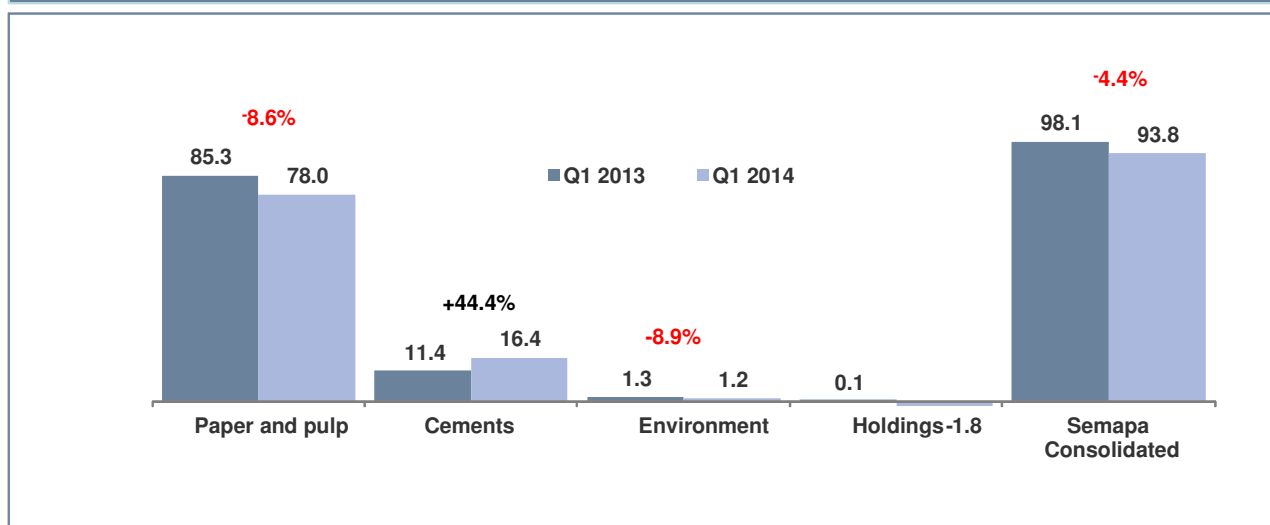
Consolidated turnover was up by 2.1% in relation to the same period in 2013, due to the results from the following business areas:

- Paper and Pulp: 365.3 million euros, up by 2.4% in relation to the 1<sup>st</sup> quarter of 2013.
- Cement and Derivatives: 97.5 million euros, up by 2.1% in relation to the same period in the previous year.
- Environment: 6.0 million euros, down by 10.5% on the same period in the previous year.

**Total Consolidated EBITDA: 93.8 million euros**  **4.4%**

**Consolidated Recurrent EBITDA: 93.6 million euros**  **1.1%**

### Evolution and Breakdown by Business Area



Figures in million euros

EBITDA totalled 93.8 million euros, 4.4% down on the 1<sup>st</sup> quarter of 2013, although it should be noted that recurrent EBITDA fell by only 1.1%.

### Financial Results: -26.3 million euros ↓ 19.3%

In the 1<sup>st</sup> quarter of 2014, financial results worsened by 4.3 million euros in relation to the same period in the previous year, standing at a negative figure of 26.3 million euros. This was due essentially to an increase in gross average indebtedness and rising interests on borrowing in comparison with the 1<sup>st</sup> quarter of 2013, as well as to lower yields from the Group's cash surpluses.

### Consolidated Net Income: 17.5 million euros ↑ 43.6%

Accrued consolidated net income for the 1<sup>st</sup> quarter of 2014 totalled 17.5 million euros, representing an increase of 43.6% in relation to the same period in the previous year.

### Consolidated Net Debt: 1,229.2 million euros ↓ 56.1 million euros

At 31 March 2014, consolidated net debt stood at 1,229.2 million euros, representing a reduction of 56.1 million euros from the figure recorded at year-end 2013.

### Changes in Board of Directors and Executive Board

During the 1<sup>st</sup> quarter of 2014, Dr. José Alfredo de Almeida Honório resigned from his position as member of the Board of Directors and of the Executive Board of Semapa. Dr. José Alfredo de Almeida Honório also ceased to serve as director and chairman of the Executive Board of Portucel.



## 2. Paper and Paper Pulp Business Area - PORTUCEL

### 2.1. LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	Q1 2014	Q1 2013	Var.
<b>Sales</b>	<b>365.3</b>	<b>356.9</b>	<b>2.4%</b>
Other income	2.0	4.7	-56.3%
Costs and losses	(289.4)	(276.2)	-4.8%
<b>EBITDA</b>	<b>78.0</b>	<b>85.3</b>	<b>-8.6%</b>
Recurrent EBITDA	78.0	82.0	-4.9%
Depreciation and impairment losses	(29.8)	(30.8)	3.3%
Provisions (increases and reversals)	(0.1)	(0.0)	-39.5%
<b>EBIT</b>	<b>48.1</b>	<b>54.4</b>	<b>-11.7%</b>
Net financial profit	(7.3)	(3.1)	-135.3%
<b>Pre-tax profit</b>	<b>40.8</b>	<b>51.4</b>	<b>-20.5%</b>
Tax on profits	(2.7)	(9.3)	71.4%
Retained profits for the period	38.1	42.1	-9.3%
<b>Attributable to Portucel equity holders *</b>	<b>38.1</b>	<b>42.1</b>	<b>-9.3%</b>
Attributable to non-controlling interests (NCI)	0.0	0.0	-67.4%
<b>Cash-Flow</b>	<b>68.0</b>	<b>72.9</b>	<b>-6.7%</b>
<b>EBITDA margin (%)</b>	<b>21.3%</b>	<b>23.9%</b>	<b>-2.6 p.p.</b>
<b>EBT margin (%)</b>	<b>13.2%</b>	<b>15.3%</b>	<b>-2.1 p.p.</b>
	<b>31-03-2014</b>	<b>31-12-2013</b>	<b>Mar14 vs. Dec13</b>
Equity (before MI)	1,363.4	1,327.8	2.7%
<b>Net debt</b>	<b>85.5</b>	<b>162.6</b>	<b>-47.5%</b>

\* Of which 80.84% is attributable to Semapa in 2013 and 81.18% in 2014

Note: The above figures may differ from those presented individually by the Portucel Group, as a result of consolidation adjustments made by the holding company, Semapa

## 2.2. PORTUCEL GROUP – OVERVIEW OF OPERATIONS

The Portucel Group recorded a 2.4% rise in turnover in the first quarter of 2014, sustained essentially by growth in the volume of paper sales, in a context that gradually confirmed the prospects of a continued difficult business environment in 2014, albeit less severe than in previous years, with the possibility of slight stabilization in consumer spending.

In bleached eucalyptus **pulp** (BEKP) business, market conditions proved resilient over the quarter. Despite the start-up of production at a new mill in Brazil, at the end of last year, other factors helped to balance the market in the early months of 2014, such as increased pulp demand from the Chinese market and a number of production stoppages for maintenance, typical of cellulose pulp manufacturers at this time of year. However, the price rises announced for the start of the year failed to materialize and the hardwood pulp price (FOEX - BHKP in USD) fell over the quarter, standing at a level around 3% down on that in the 1<sup>st</sup> quarter of 2013. Although pulp sales also grew in volume, the Portucel Group closed the quarter with a drop in the value of its pulp sales of approximately 7%, explained by a sharper reduction in the average sales price.

In **paper** operations, and in particular in office paper, the year got off to a livelier start than is usual, with improving order books at European manufacturers. Significantly, the Portucel Group recorded an increase of approximately 6% in output, which has sustained the growth in sales of uncoated woodfree (UWF) paper, up year-on-year by around 7%. This growth in the sales volume more than compensated for the drop in paper prices over the period: the benchmark index (FOEX - A4 - B copy) was down by around 3% from its 2013 level. Turnover in paper business ended the quarter up by more than 4% on the figure for the same period in 2013.

In this low-price environment, unchanged since August 2010, and with demand holding steady, Portucel decided to announce to its customers a price rise for UWF paper of 3 to 5% in the European market as from the start of April, after successfully implementing equivalent price rises in the US, Middle East, African and Latin American markets.

In the **energy** sector, gross output in the 1<sup>st</sup> quarter of 2014 was slightly lower than in the same period in 2013. This was due essentially to the annual maintenance stoppage at the Biomass Power Station in Cacia.

On the cost side, the Portucel Group recorded an increase in unit costs for wood, pushed up by poor weather conditions at this time of year. This was partially offset by positive evolution in other factor of production, including the purchase cost for energy and other fixed cost items.

In this context, consolidated EBITDA totalled 78.0 million euros, representing a reduction of 8.6% in relation to the first 1<sup>st</sup> quarter of 2013.

The EBITDA / Sales margin stood at 21.3% for the first three months of 2014, down by 2.6 percentage points on the first quarter of 2013, due essentially to the reduction in the average sales price for paper and increased wood costs.

Operating income totalled € 48.1 million, down by 11.7% from the same period in the previous year.

The Group recorded a financial loss of 7.3 million euros, as compared with the loss of 3.1 million euros recorded in the first quarter of 2013. This was caused essentially by debt refinancing operations carried out in 2013, which resulted in an increase in gross debt and the respective financial cost, and by a sharp reduction across the board in the interest earned on the Portucel Group's surplus liquidity.

The Group accordingly recorded consolidated net income for the period of 38.1 million euros, down by 9.3% on the same period in the previous year.

## 2.3. BUSINESS REVIEW

### 2.3.1. Market Analysis

The improvement in demand for **uncoated woodfree paper** (UWF) in Europe, first observed in the final quarter of 2013, was confirmed in the first quarter of 2014, with estimated year-on-year growth of 3%. The performance of the European market is explained by the still moderate recovery in the European economy and the improved export/import balance. However, although high unemployment and the performance of sectors connected to the paper industry, such as computer and printer sales, point to the need for prudence, they also show that there is still potential to be tapped when the economic recovery becomes firmer.

The European industry recorded capacity utilization rates of around 96%, well up on the same period in 2013, and the Portucel Group operated, as usual, at full capacity. Order books in the industry reached their highest levels in March 2014 since the 1<sup>st</sup> quarter of 2012, and only comparable in recent history with the strong market years of 2007 and 2010. At the start of the year, the Portucel Group's order books were at new record levels.

In the US, another key market for the Portucel Group's commercial strategy, the sharp reduction in local UWF production capacity paved the way for a price rise in the market, and the main benchmark index (Risi 20lb A4) was up by 20 USD/t over the quarter.

On overseas markets, demand for UWF paper grew in several regions, in particular in Asia, the Middle East and Latin America.

In this context, the volume of the Portucel Group's paper sales reached an all-time high in the 1<sup>st</sup> quarter, up by 7% on the same period in 2013. This result was sustained by growth in sales made on European markets, up by 6% on the same period in 2013 and by continued expansion into new markets, with increased penetration in Latin America and the Middle East.

Strengthening its position as the leading European UWF manufacturer, premium products have continued to account for around 60% of the Portucel Group's paper sales, both in Europe and in overall sales.

The Portucel Group's own brands again recorded growth of 3% worldwide, and 4% in Europe. Navigator achieved growth of 5% around the world and 7% in Europe, with levels of growth, penetration and brand recognition unrivalled in the industry. The Portucel Group's own brands therefore consolidated their role as anchors for the Group's stability and profits, accounting for around two thirds of its volume of paper sales.

The stability in the eucalyptus **pulp** market observed throughout the 4<sup>th</sup> quarter of 2013 continued into the 1<sup>st</sup> quarter of 2014, counteracting the effect of the start-up, in late December 2013, of a new large scale production unit in Brazil.

Despite this increase in the supply of eucalyptus pulp, the quarterly average of the PIX benchmark price for Europe stood at USD 768, slightly down from the average for the final quarter of 2013, which was USD 770. Due to the relative weakness of the US currency, this stability in USD prices has not resulted in a corresponding trend in Euros.

Although the price rise to USD 820 announced as from 1 January never materialized and prices never reached this level during the quarter, the market still benefited from the delay in the start-up of projects for new capacity, and from an excellent start to the year in the Chinese market.

As the Chinese market has for several years been the main driving force behind demand, the fact that pulp imports stood at significant levels in the first two months of the year, especially in January, made a significant contribution to maintaining the stability observed since the previous quarter.

The release of indicators which point to a slight improvement in the global economy could have positive

consequences for the paper industry and also ease the policy of currency devaluation adopted by a number of emerging countries which play an important role in pulp production, which could have a positive impact on the strength of the market.

The Portucel Group's sales of BEKP pulp in the first quarter of 2014 rose by 5% in relation to the same period in 2013.

A breakdown of BEKP pulp sales by paper segment shows that the Portucel Group strengthened its position in the special papers segment, which undoubtedly offers the greatest value added, with sales to this segment still accounting for more than 60% of its sales volume in the 1<sup>st</sup> quarter of 2014.

An analysis of sales by destinations shows that most of the Portucel Group's pulp sales went to European markets, home to manufacturers of higher quality paper where technical demands are more stringent and where the intrinsic qualities of the eucalyptus globulus pulp generate substantial added value.

### 2.3.2. Development

The integrated forestry, cellulose pulp and energy project that the Portucel Group has been developing in Mozambique has moved on to a new phase, preparing for expansion of forestry operations.

As previously disclosed, this new phase includes conducting the ESIS (Environmental and Social Impact Study); the preliminary reports are close to completion, and will be followed by the start of the public consultation and approval process.

The sustainability of the forestry operations will be assured by planning and developing projects to include local communities, implementing the respective investments and helping to grow the business fabric associated with the project. To this end, Portucel Moçambique is working with IFC (International Finance Corporation), a World Bank institution, with which it signed a cooperation agreement in October 2013. This collaboration with IFC will extend the impact of the Portucel Group's investment in the sustainable development of Mozambique and the creation of shared opportunities for growth in the concession areas and reflects the Group's commitment to developing forestry plantations in Mozambique in keeping with the strictest international standards on environmental and social issues.

In this context of inclusive development, Portucel Moçambique has in this farming season already created 300 hectares of demonstration fields with crops essential for food security, such as corn, soya and beans.

Work is starting on construction of the Portucel Group's first dedicated nursery facility in Mozambique, designed to produce the plants selected during the trials which have already been conducted.

This integrated project for forestry, cellulose pulp and energy is valued at 2.3 billion dollars and is expected to create around 7,500 new jobs and exports, once operating at full capacity, of approximately one billion USD.

### 3. Cement and Derivatives Business Area – SECIL

As reported above, the Semapa Group has switched to consolidating its holding in the Supremo Group by using the equity method. Consequently, as from 1 January 2014, the Cement segment now includes only 100% of the Secil Group's operations, in contrast to previous periods when this segment encompassed 100% of the operations of the Secil and Supremo Groups.

The leading business indicators for the Supremo Group are presented separately in this chapter, despite the Group not being included in the Cement segment.

#### 3.1. LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	Q1 2014	Q1 2013	Var.
<b>Sales</b>	<b>97.5</b>	<b>95.5</b>	<b>2.1%</b>
Other income	11.4	3.7	210.0%
Costs and losses	(92.5)	(87.8)	-5.4%
<b>EBITDA</b>	<b>16.4</b>	<b>11.4</b>	<b>44.4%</b>
Recurrent EBITDA	16.3	11.3	44.5%
Depreciation and impairment losses	(9.9)	(11.6)	15.3%
Provisions (increases and reversals)	(0.3)	(0.3)	-1.3%
<b>EBIT</b>	<b>6.3</b>	<b>(0.6)</b>	<b>1232.3%</b>
Net financial profit	(4.3)	(3.6)	-19.1%
<b>Pre-tax profit</b>	<b>2.0</b>	<b>(4.1)</b>	<b>148.7%</b>
Tax on profits	2.1	(1.1)	294.0%
Retained profits for the period	4.1	(5.2)	179.0%
<b>Attributable to Secil equity holders</b>	<b>2.7</b>	<b>(6.5)</b>	<b>142.0%</b>
Attributable to non-controlling interests (NCI)	1.4	1.3	5.2%
<b>Cash-flow</b>	<b>14.3</b>	<b>6.7</b>	<b>112.7%</b>
<b>EBITDA Margin (%)</b>	<b>16.9%</b>	<b>11.9%</b>	<b>4.9 p.p.</b>
<b>EBIT Margin (%)</b>	<b>6.4%</b>	<b>-0.6%</b>	<b>7.0 p.p.</b>
	<b>31-03-2014</b>	<b>31-12-2013</b>	<b>Mar14 vs. Dec13</b>
Equity (before NCI)	487.2	480.8	1.3%
<b>Net debt</b>	<b>302.8</b>	<b>224.9</b>	<b>34.7%</b>

## 3.2. SECIL GROUP – OVERVIEW OF OPERATIONS

The construction industry and cement consumption both continued on a downward course in Portugal, which is the Secil Group's principal market. Figures from AECOPS (Association of Construction, Public Works and Services Companies) predict a further reduction in business in the construction sector in 2014, albeit less severe than in previous years (-4.5%, as compared to -15% in 2013), as a result of shrinking output in various segments.

Demand for cement in the 1<sup>st</sup> quarter of 2014 fell by 11.3% on a year-on-year basis, although this represents a less dramatic reduction than in recent years.

Despite this difficult environment, turnover in the cement business area totalled 97.5 million euros in the 1<sup>st</sup> quarter of 2014, up by 2.1 on the figure recorded in the same period in the previous year. This growth was mostly due to the successful performance of cement and clinker export operations from Portugal, where turnover grew by 43.1% in relation to the 1<sup>st</sup> quarter of 2013, and of the Lebanon cement business unit, which recorded growth of 5.2% in relation to the same period in the previous year.

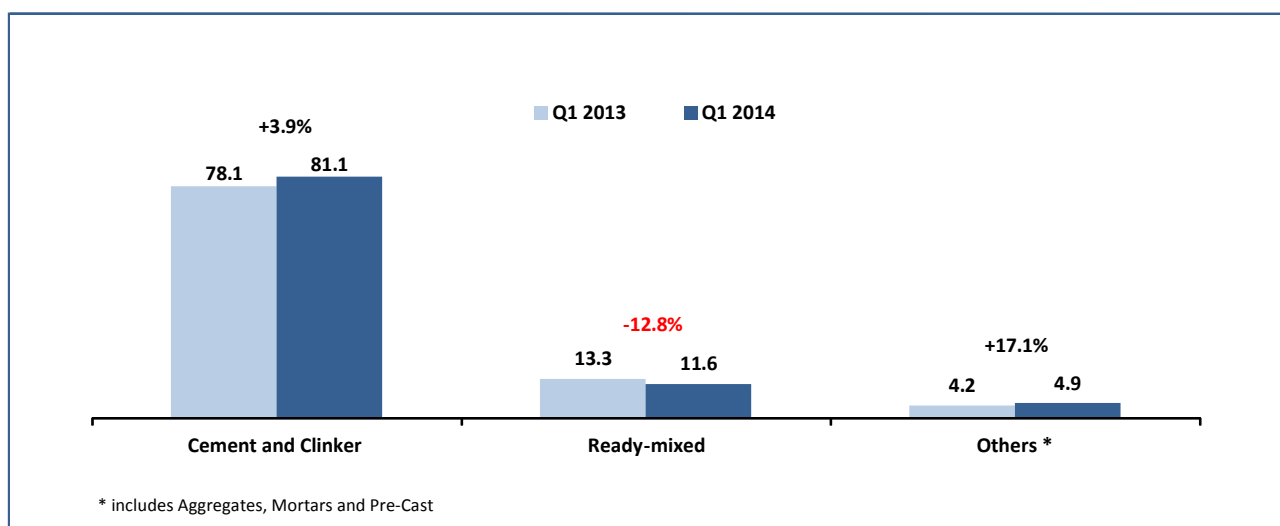
EBITDA in the Cement business area totalled 16.4 million euros, up by 44.4% on the 1<sup>st</sup> quarter of 2013. The EBITDA margin stood at 16.9% for the period, 4.9 percentage points up from the margin recorded in the same period in the previous year.

Operating income stood at 6.3 million euros, as compared with a negative figure of 0.6 million euros recorded in the same period in 2013.

This business area recorded profits of 2.7 million euros in the period, as compared to a loss of 6.5 million euros in the 1<sup>st</sup> quarter of 2013.

## 3.3. BUSINESS REVIEW

### Turnover by Segment

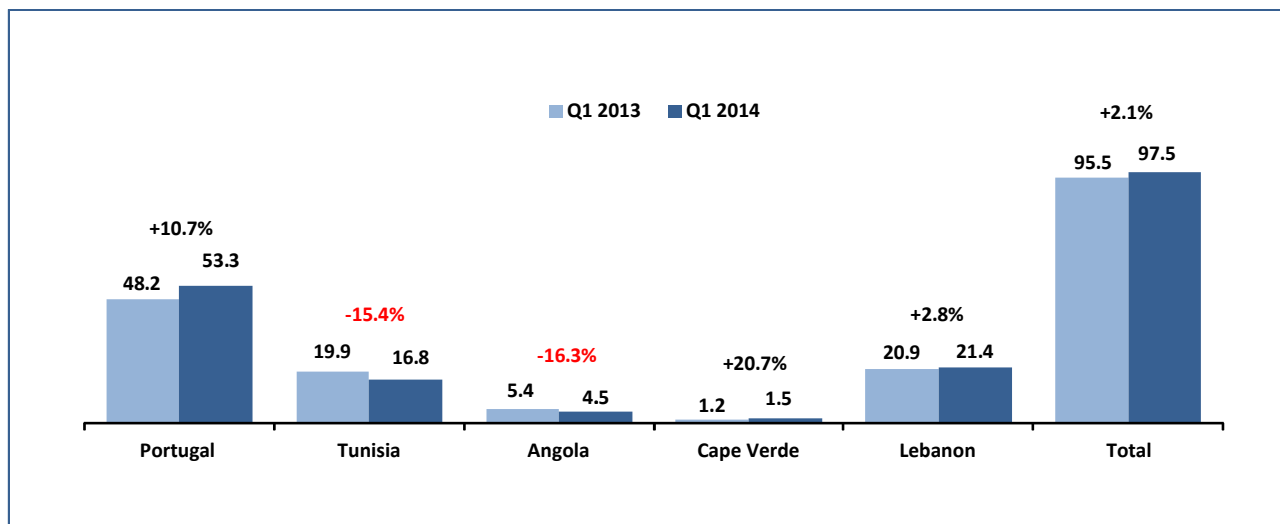


Figures in million euros

Turnover in the cement and clinker segment grew by 3.9% in relation to the 1<sup>st</sup> quarter of 2013, due to increased exports from Portugal and growth in cement operations in Lebanon. The Cement and Clinker segment represented a larger relative share of total operations carried on by the cement business unit (83.1% in the first 3 months of 2014, as

compared to 81.8% in the same period in 2013).

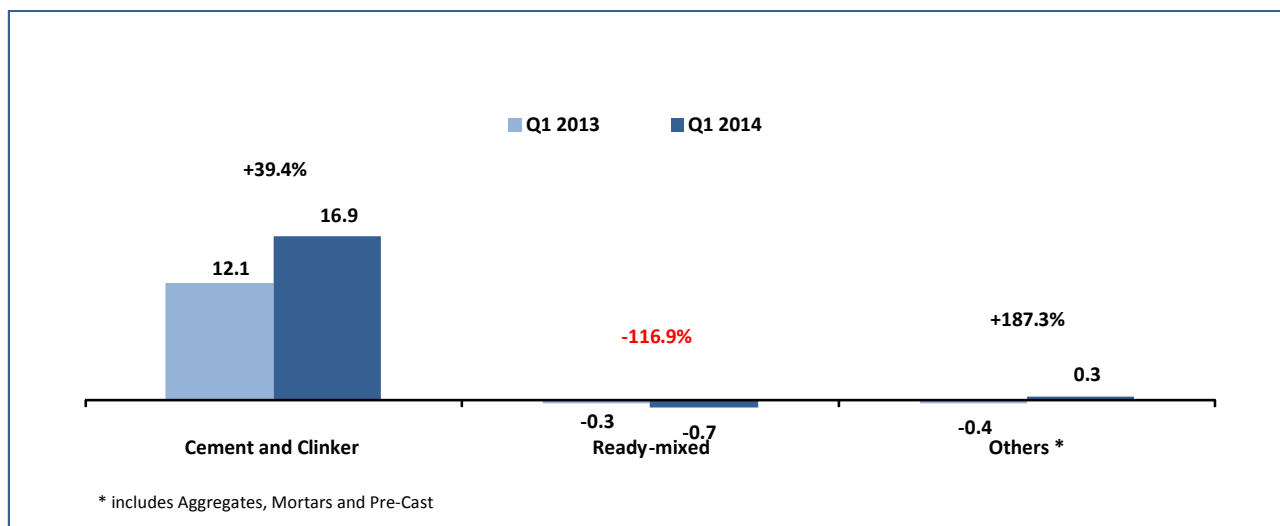
### Turnover by Geography



Figures in million euros

Turnover from total operations outside Portugal and from exports by Portugal-based operations represented a larger share of the total: 67.6% as against 65.4% in the 1<sup>st</sup> quarter of 2013.

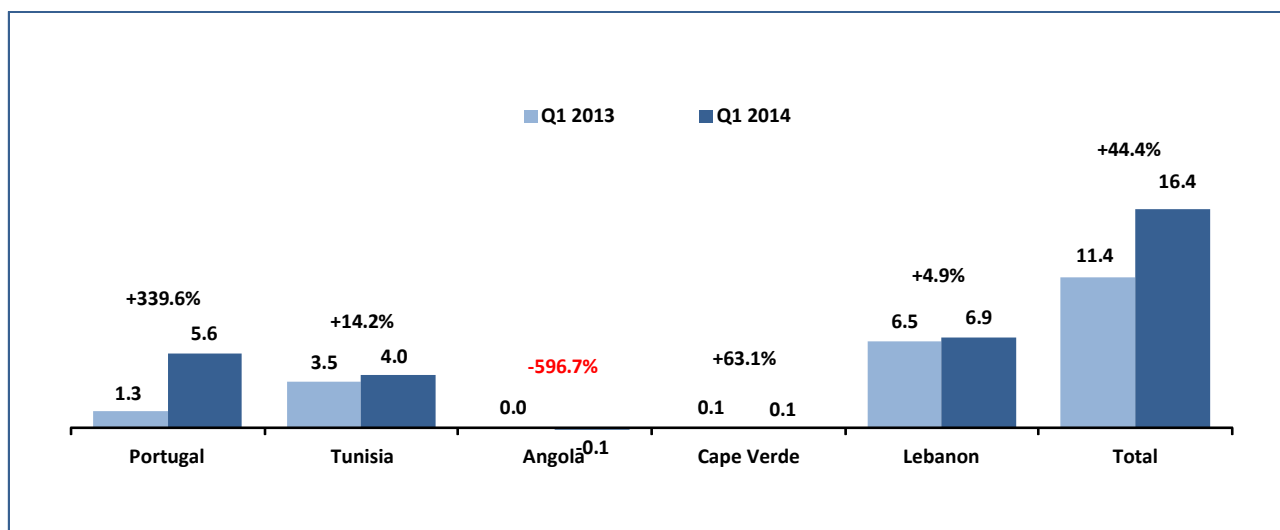
### EBITDA by Segment



Figures in million euros

In the 1<sup>st</sup> quarter of 2014, EBITDA from the Cement and Clinker segment was up 39.4% on the same period in the previous year. The Cement and Clinker segment represented a smaller proportional share of the Secil Group's operations than in the 1<sup>st</sup> quarter of 2013.

## EBITDA by Geography



Figures in million euros

In terms of geographical breakdown, EBITDA was more widely dispersed than in the same period in the previous year, with operations outside Portugal accounting for approximately 65.8% of the cement segment's total EBITDA, as compared to the figure of 88.8% recorded in the 1<sup>st</sup> quarter of 2013.

### 3.3.1. Portugal

Despite this unpromising environment for the Secil Group's business, turnover from overall operations in Portugal in the 1<sup>st</sup> quarter of 2014 was up by 10.7% on the same period in the previous year, at approximately 53.3 million euros, as detailed below.

The cement business unit in Portugal recorded turnover of 40.8 million euros, representing growth of 16.0% over the figures for the 1<sup>st</sup> quarter of 2013, thanks to strong performance in export business (included in total operations in Portugal), which recorded an increase in turnover of 43.1% and accounted for 66.1% of the total sales volume. On the domestic market, turnover dropped by 3.9% and the sales volume by 7.9% in relation to the same period in the previous year.

In the other business segments with operations based in Portugal (concrete, aggregates, mortars, pre-cast and others), turnover in the 1<sup>st</sup> half of 2014 stood at approximately 12.5 million euros, down by 3.6% in relation to the same period in the previous year.

EBITDA for total operations was up, year-on-year, by 339.6%, at 5.6 million euros.

The cement business unit in Portugal recorded EBITDA of 6.4 million euros, 159.1% higher than the figure for the 1<sup>st</sup> quarter of 2013. This increase was due in part to offloading surplus CO<sub>2</sub> licenses during the 1<sup>st</sup> quarter of 2014, sold for 1.5 million euros, in contrast with the same period in the previous year, when no CO<sub>2</sub> licenses were sold.

Attention should be drawn to the reduction in operating costs, including personnel costs, achieved through the process of reorganization and streamlining of operations initiated in 2012. This, combined with successful exports, has made it possible to cushion the impact of dwindling business on the domestic market.

Positive results have also been achieved in the energy efficiency projects implemented, making it possible to reduce variable power and fuel costs per ton of clinker output, in comparison with the same period in the previous year.



The aggregates, mortars and pre-cast business units performed significantly better than in the 1<sup>st</sup> quarter of 2013, thanks to (i) operational streamlining, (ii) growth in export business, in the case of mortars and pre-cast concrete, and (iii) promotion of products with increased value added, in the case of aggregates and mortars, with EBITDA standing at 0.3 million euros.

The ready-mixed business unit recorded a drop of 33.2% in EBITDA, which fell to a negative figure of 1.1 million euros in the 1<sup>st</sup> quarter of 2014, as the direct result of the depression in the construction market. The measures taken to restructure operations have so far failed to turn this situation around.

### 3.3.2. Tunisia

In Tunisia, the economy remains fragile and growth has been insufficient to bring unemployment down from its current high level; the country continues to experience the fall-out from the revolution, resulting in political and social unrest. Despite this unpromising environment, cement consumption increased by 8.7% for the country as a whole during the 1<sup>st</sup> quarter of 2014.

Turnover for combined operations in Tunisia in the 1<sup>st</sup> quarter of 2014 stood at approximately 16.8 million euros, down by 15.4% on a year-on-year basis.

The cement business unit recorded turnover of approximately 14.9 million euros, down by 16.5% on the figure for the 1<sup>st</sup> quarter of 2013.

Despite the positive effect of the deregulation of sales prices on the local market in early 2014, which resulted in an increase in the order of 5.9% in the average unit price for the Secil Group's cement, turnover was held in check by a reduction in sales volumes on the internal and external markets, down by around 20.2% and 29.1% respectively. This drop in business was due fundamentally to the following developments: (i) blockades at the mill, which prevented it from operating normally for more than a fortnight, and (ii) the closing of the Libyan border for several periods in early 2014, which hampered exports to this country.

The falling value of the Tunisian dinar also brought down turnover by around 1 million euros.

The ready-mixed concrete business unit recorded a drop of 5.5% in turnover and of 14.1% in the sales volume, as a result of bad weather experienced during the 1<sup>st</sup> quarter of the year.

Despite the drop in turnover, EBITDA from operations in Tunisia in the 1<sup>st</sup> quarter of 2014 stood at 4.0 million euros, up by 14.2% on the same period in the previous year.

This was achieved thanks essentially to improved performance in output in the cement unit, where EBITDA stood at 3.7 million euros, up by 18.0% on the same period in the previous year.

The capital projects implemented in the previous year resulted in gains in energy efficiency, with an improvement in indicators for power and thermal energy consumption in comparison with the same period in 2013.

Production costs in the first quarter of 2013 had also been badly hit by external purchases of clinker at higher prices, due to lengthy stoppages caused by technical problems in the kilns during this period.

### 3.3.3. Lebanon

In Lebanon, the economy has been hit by the negative effects of the current situation in the Middle East, and in Syria in particular. Cement consumption is expected to hold steady at the previous year's levels.

Turnover on combined operations in Lebanon stood at approximately 21.4 million euros, representing an increase of 2.8% in relation to the same period in 2013.

The cement business unit recorded turnover in the 1<sup>st</sup> quarter of 2014 of 19.6 million euros, 5.2% up on that recorded in the previous year, thanks essentially to an increase of 12.3% in the sales volume. Growth in turnover fell short of the increase in the sales volume, due to the growing proportion of sales represented by clinker, for which the sales price is lower than for cement, and not to the reduction in the average unit sales price for cement over the period.

The ready-mixed business unit recorded a drop of 17.5% in turnover, which stood at 1.9 million euros, due to a drop in the sales volume (down by 12.2%), and in the average sales price (down by 6.0%), as a result of fierce competition in terms of prices.

Total EBITDA from operations in the 1<sup>st</sup> quarter of 2014 stood at 6.9 million euros, representing growth of 4.9% in relation to the 1<sup>st</sup> quarter of the previous year.

In the 1<sup>st</sup> quarter of 2014, the cement business unit recorded EBITDA of 6.7 million euros, up by 5.8% on the same period in 2013, thanks to improved performance in sales, resulting in increased turnover, and also due to better performance in production, in view of the revamping of line 1 in 2013. This made possible: (i) to increase average daily output and the kiln utilization factor, (ii) to improve thermal energy consumption indicators and (iii) to eliminate the external purchases of clinker which were required in the 1<sup>st</sup> quarter of the previous year.

In the ready-mixed business unit, EBITDA stood at around 120 thousand euros, down by 29.8% on the figure recorded in the 1<sup>st</sup> quarter of 2013.

### 3.3.4. Angola

In Angola, the construction industry is expected to enjoy rapid growth, fuelled by implementation of a large-scale public spending programme for infrastructure and housing projects.

The Secil Group's business operations in Angola performed less strongly in the 1<sup>st</sup> quarter of 2014 than in the previous year, with turnover totalling approximately 4.5 million euros, down by 16.3%, due fundamentally to falling average sales prices, as the sales volume held steady in relation to the 1<sup>st</sup> quarter of 2013. This downward trend in average sales price was caused primarily by the start-up of a new cement mill in Kwanza Sul, and to the continued flooding of the market with cheap cement imports from China.

EBITDA from operations in Angola dropped to a negative figure of 113 thousand euros, due to a reduction in the sales volume and the average sales price in comparison with the 1<sup>st</sup> quarter of 2013. Production costs have been brought down, thanks to a reduction in the clinker incorporation rate, made possible by capital projects on the mills which were completed at the end of the previous year. A reduction was also achieved in personnel costs.

### 3.3.5. Brazil<sup>1</sup>

In Brazil, the cement market recorded year-on-year growth of 6.4% for the country as a whole and 6.1% in the southern region (where the Supremo Group operates).

Total Supremo Group operations in the 1<sup>st</sup> quarter of 2014 generated turnover of 12.2 million euros, representing an increase of around 28% in local currency and of 4.1% in euros (due to the falling value of the Brazilian real over the period) in relation to the same period in the previous year.

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<sup>1</sup> As reported above, the Semapa Group has switched to consolidating its holding in the Supremo Group by using the equity method. The leading business indicators for the Supremo Group are therefore presented separately, despite not being included in the cement segment.

EBITDA stood at 1.5 million euros, up by 85.7% on the 1<sup>st</sup> quarter of 2013. This excellent operational performance was due in part to growth in turnover and also to a reduction in clinker incorporation in cement and increased cement output. This in turn has resulted in better dilution of fixed costs and increased operating margins. The reduction in clinker incorporation has resulted in a significant decrease in raw material costs in relation to the 1<sup>st</sup> quarter of the previous year.

The EBITDA margin for the Supremo Group's overall operations stood at 12.0%, 5.3 percentage points up from the 1<sup>st</sup> quarter of 2013.

Operating income totalled 900 thousand euros, representing sharp growth from the figure of 39 thousand euros recorded in the same period in the previous year.

Net income for the 1<sup>st</sup> quarter of 2014 stood at 158 thousand euros, comparing favourably with the negative figure of 519 thousand euros for the 1<sup>st</sup> quarter in the previous year.

Work has continued on the construction of the Supremo Group's new cement mill, representing total estimated capital expenditure of around 700 million reais. The mill is located in Adrianópolis and is due to start operation in the final quarter of 2014. After the construction of the new mill, the Supremo Group's total cement production capacity will be in excess of 1.5 million tons.

## 4. Environment Business Area – ETSA

### 4.1. LEADING BUSINESS INDICATORS

IFRS - accrued amounts (million euros)	Q1 2014	Q1 2013	Var.
<b>Sales</b>	<b>6.0</b>	<b>6.7</b>	<b>-10.5%</b>
Other income	0.3	0.1	144.6%
Costs and losses	(5.1)	(5.5)	7.5%
<b>EBITDA</b>	<b>1.2</b>	<b>1.3</b>	<b>-8.9%</b>
Recurrent EBITDA	1.2	1.3	-8.9%
Depreciation and impairment losses	(0.6)	(0.7)	13.0%
Provisions (increases and reversals)	(0.0)	(0.0)	59.6%
<b>EBIT</b>	<b>0.6</b>	<b>0.6</b>	<b>-2.9%</b>
Net financial profit	(0.3)	(0.3)	-0.8%
<b>Pre-tax profit</b>	<b>0.3</b>	<b>0.3</b>	<b>-7.2%</b>
Tax on profits	(0.1)	(0.1)	-50.3%
Retained profits for the period	0.2	0.2	-20.7%
<b>Attributable to ETSA equity holders *</b>	<b>0.2</b>	<b>0.2</b>	<b>-20.7%</b>
Attributable to non-controlling interests (NCI)	-	-	-
<b>Cash-Flow</b>	<b>0.8</b>	<b>0.9</b>	<b>-15.5%</b>
<b>EBITDA margin (%)</b>	<b>20.0%</b>	<b>19.6%</b>	<b>0.3 p.p.</b>
<b>EBIT margin (%)</b>	<b>9.7%</b>	<b>8.9%</b>	<b>0.7 p.p.</b>
	<b>31-03-2014</b>	<b>31-12-2013</b>	<b>Mar14 vs. Dec13</b>
Equity (before NCI)	58.4	58.2	0.3%
<b>Net debt</b>	<b>20.0</b>	<b>19.6</b>	<b>2.1%</b>

\* Of which 96% is attributable to Semapa in 2013 and 99.989% in 2014

Note: The above figures may differ from those presented individually by the ETSA Group, as a result of consolidation adjustments made by the holding company, Semapa

## 4.2. BUSINESS OVERVIEW: ETSA GROUP

The ETSA Group recorded turnover of 6.0 million euros in the 1<sup>st</sup> quarter of 2014, down by around 10.5% on the same period in 2013. This was caused essentially by the combined effect of (i) a reduction in turnover from the collection, transport and destruction of animal carcasses, in comparison with the same period in 2013, caused by a reduction in the quantities collected and, fundamentally, in the average unit price for collection and (ii) a reduction in the average value of contracts for collection of animal by-products from leading hypermarkets.

EBITDA for the ETSA Group totalled 1.2 million euros in the 1<sup>st</sup> quarter of 2014, representing a reduction of 8.9% in relation to 2013. This is explained fundamentally by (i) the reduction in turnover described above, (ii) widespread increases in the average purchase price of by-products in Portugal, due to the depressed business environment, overcapacity in the sector and extremely fierce competition, iii) a significant increase in ABAPOR's animal by-products business, but with lower monthly revenue from fixed contracts, resulting in growth in the cost structure for logistics, personnel and industrial processing.

Other factors which had a positive impact on performance in the period included (i) the reduction in the cost of goods sold per ton of raw material processed, as a result of the planned reduction in commercial by-products collection operations in Spain, and (ii) a sharp reduction in the cost of thermal fuels used in the industrial conversion process, thanks to capital projects implemented at both SEBOL and ITS.

The EBITDA margin stood at 20.0%, up by around 0.3 percentage points on the margin for the 1<sup>st</sup> quarter of 2013.

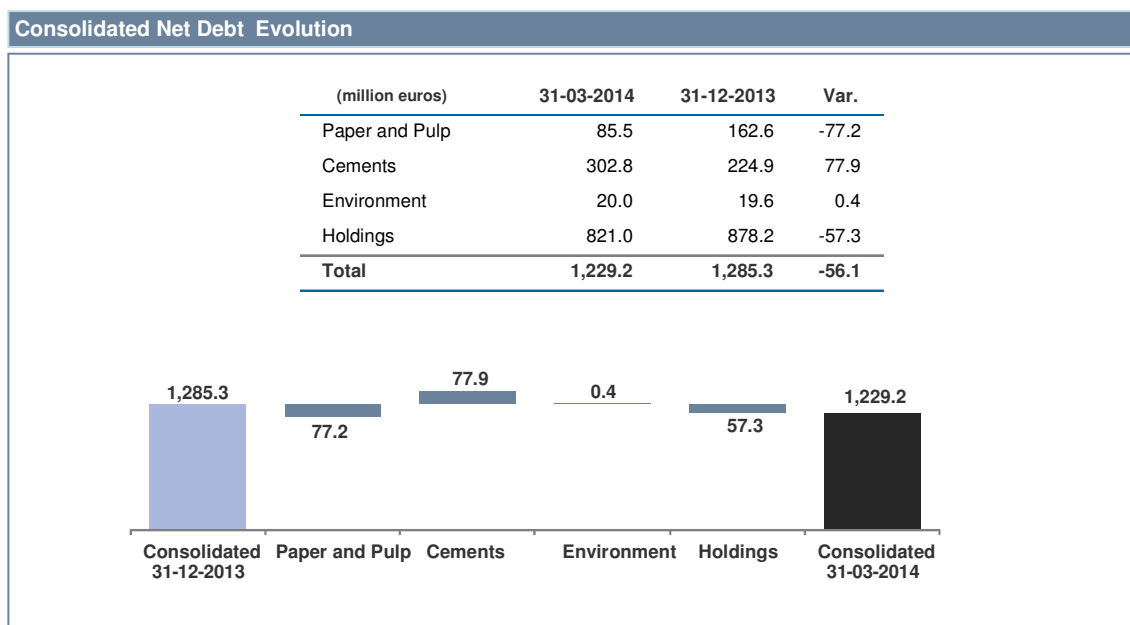
Operating income totalled 0.6 million euros, down by 2.9% from the same period in the previous year.

Financial results held steady at the same level as in the 1<sup>st</sup> quarter of 2013.

The combined impact of these factors resulted in accrued net Income for the ETSA Group of approximately 0.2 million euros, 20.7% down on that recorded in the same period in the previous year.

## 5. Semapa Group – Financial Area

### 5.1. INDEBTEDNESS



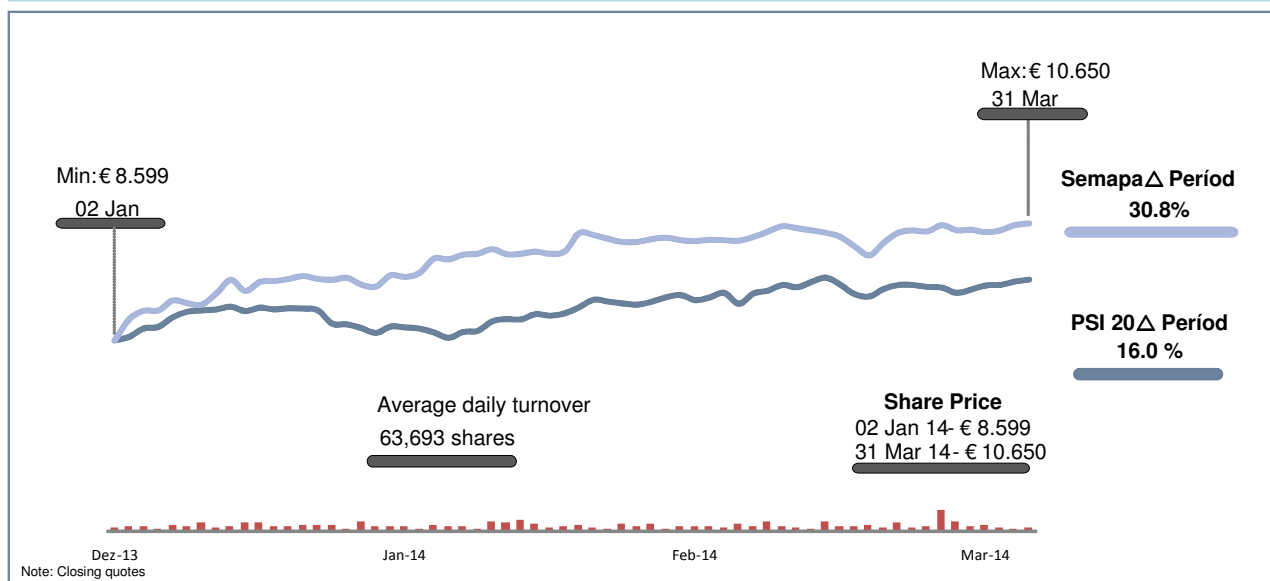
At 31 March 2014, consolidated net debt stood at 1,229.2 million euros, representing a reduction of 56.1 million euros from the figure recorded at year-end 2013.

This improvement was due essentially to the combined effect of a reduction of 77.2 million euros in debt in the Paper and Pulp segment and an increase of 0.4 million euros in the Environment segment. Debt was reapportioned internally between the cement segment and the holding companies. Overall, the indebtedness of these two segments increased by 20.6 million euros, due primarily to the injection of capital into the Supremo Group for its investment plan to expand cement operations in Brazil.

### 5.2. LISTED SHARE PRICE

After fairly robust performance in 2013, trends on the capital markets in the first quarter were uneven and more modest, with the exception of Euronext Lisbon, which made a strong start. With a gain of 16.0%, the PSI20 clearly outperformed the equivalent indexes elsewhere, equalling, in a single quarter, the entire gain recorded over 2013. The Madrid and Paris indexes also performed well, as did the Euronext 100, with the Spanish index up by 4.3% and the others by 2.2 and 2.7% respectively. This contrasted with losses on the London stock exchange, down by 2.2%.

## Share Price Performance – Q1 2014



In this context, Semapa shares recorded outstanding performance, climbing by 30.8%. At the end of the quarter they stood at their highest level for the year, having far outperformed the PSI20 index over the period (up by 16%).

### 5.3. NET INCOME IN FIRST 3 MONTHS OF 2014

Accrued consolidated net income for the 1<sup>st</sup> quarter of 2014 totalled 17.5 million euros, representing an increase of 43.6% in relation to the same period in the previous year. This increase was due essentially to the following factors:

- Total EBITDA down by 4.3 million euros in relation to the 1<sup>st</sup> quarter of 2013.
- Depreciation and impairment losses down by 2.9 million euros from the same period in the previous year;
- Constitution of provisions of 0.4 million euros, as compared to provisions of 0.7 million euros in the same period in the previous year;
- A worsening of net financial results by 4.3 million euros, on a year-on-year basis;
- A reduction of 9.8 million euros in taxes, due primarily to the freeing up of provisions for taxes which proved unnecessary and also the lower tax rate applied to the deferred taxes of the subsidiary Société de Ciments de Gabès, based in Tunisia, where the tax rate decreased from 30% to 25% during the first quarter.

## 6. Outlook

The main economic indicators continue to point to stronger growth in the more developed economies, sustained by a continued expansionist monetary policy and less restrictive fiscal policies in certain countries. Prospects for emerging markets are less promising, with a number of internal weak points still persisting, recently accentuated by capital movements resulting from the announcement of a reduction in the monetary stimulus program in the United States, which could limit the development of these economies.

In the Euro Zone, the economy is expected to continue its recovery, although this will be uneven, and slower than elsewhere. Despite this positive trend, unemployment in the Euro zone remains at high levels and inflation continues very low, meaning that a deflationary scenario cannot be ruled out.

In the United States, the recovery is stronger and more sustained, due to growth in domestic demand and a stronger labour market, supported by productivity gains, highly competitive energy prices and a less restrictive fiscal policy. The biggest question mark is over the impact on the economy of the reduction in monetary incentives already announced by the US Federal Reserve.

In China, the economy is expected to remain strong, supported by a foreseeable increase in demand from the developed markets. However, tighter lending and investment policies and a degree of difficulty in the transition to a development model based more on internal demand may limit economic growth and cast some doubt on future development.

In Portugal, forecasts published by the IMF point to growth of 1.2% in gross domestic product in 2014, up from the negative growth of -1.4% estimated for 2013 (World Economic Outlook, IMF, January 2014). The latest Bank of Portugal projections also point to growth in GDP of 1.2% in 2014 (Economic Bulletin, Bank of Portugal, April 2014), and to a gradual upturn in the economy from 2014 to 2016 at a pace close to that forecast for the Euro Zone.

In the 1<sup>st</sup> quarter of 2014 the Portuguese economy shrank by 0.7% in relation to the previous quarter, but grew by 1.2% year-on-year, as compared with figures of 0.5% and 1.5% in the final quarter of the previous year. The economy returned to growth in March, recording the highest rate of expansion since August 2010 (Economy Summary, INE, April 2014).

### Paper and Pulp

In this context, the **BEKP pulp** market has proven fairly resilient. The latest figures point to continued strong demand from China. The significant difference in prices between long and short fibre pulp has led to short fibre pulp being substituted for long fibre, and a number of projects for increased capacity in Latin America have fallen behind schedule; these two factors are expected to sustain the market in the near future. In the medium term, a significant increase in production capacity for tissue paper and the closure and conversion of pulp production units, especially in China, should help to keep the market lively. However, a degree of uncertainty as to the future of the Chinese economy and the paper market, the start-up of new pulp capacity planned for 2014 and 2015 and the evolution of the Euro/dollar exchange rate are all factors which may have an impact on supply and demand in this market.

In the **UWF paper** market, the prospects still point to a gentle recovery. Order books rose to encouraging levels during the first three months of the year, and figures from the start of the second quarter confirm this tendency. However, market conditions may grow more difficult over the coming months, due to seasonal factors and increased output by manufacturers in other global regions, in particular in Asia.



## Cement

In **Portugal**, the Secil Group's main market, the economic outlook for 2014 is generally less pessimistic, in comparison with the severe contraction experienced in recent years.

Despite a slight improvement in the economy, figures from AECOPS (Association of Construction, Public Works and Services Companies) suggest that the Portuguese construction industry will continue to suffer in 2014, contracting further over the year, albeit at a more moderate pace than previously (-4.5%, as compared to -15% estimated for 2013), due to a continuing reduction in output in the various segments.

In 2014, the Secil Group's operations in Portugal will continue to be influenced by the troubles in the construction sector. However, strong performance on foreign markets, combined with savings and gains achieved through the streamlining measures implemented in previous years, offer the prospect of an improvement in results in comparison with 2013. Even so, priority will still be given to implementing measures to improve operational efficiency across the Group.

For **Tunisia**, the latest IMF figures point to expectations that the economy will grow in 2014 by 3.0%, up from the figure of 2.7% recorded in 2013 (World Economic Outlook, IMF, April 2014), despite the continued uncertainty as regards political and social stability in the country. In line with expectations for the economy as a whole, the construction and cement sector is also expected to record stronger growth than in 2013. The prospects for the Tunisian market are therefore positive, all the more so because prices were deregulated in early 2014.

A new cement mill, operated by Carthage Ciment, has started up near Tunis, and its sales are putting pressure on the market in southern Tunisia, which is the Secil Group's natural market, especially in the Sfax region.

Economic growth in **Lebanon** is forecast to stand at 1.0% in 2014, similar to that recorded in 2013 (World Economic Outlook, IMF April 2014). The cement market is also expected to stabilize, with sales performance at similar levels to 2013. The new blocks factory is expected to be ready for start-up by the end of the 1<sup>st</sup> half of 2014; this will allow the Group to start producing and selling blocks and to market binders, as from the 2<sup>nd</sup> half of the year.

With regard to **Angola**, forecasts published by the IMF point to continued economic growth, with estimates that gross domestic product will increase by 5.3% in 2014, up from the figure of 4.1% recorded in 2013 (World Economic Outlook, IMF, April 2014). In this context, the cement market is expected to enjoy robust growth in 2014. The Secil Group's operations are expected to present growth in the sales volume, with sales prices holding steady or dropping slightly in relation to the 1<sup>st</sup> quarter of 2014. The start-up in April of a new clinker grinder will increase production capacity and bring down the clinker incorporation rate, with a positive impact on variable production costs.

## Environment

Considering the current economic and financial environment, no improvements are envisaged in the short term in the sector operated by the ETSA Group, insofar as falling consumption of foodstuffs (due simply to changes in the average shopping basket, or other factors) results directly in a reduction in the animal slaughter rate, and consequently in the volume of by-products generated. In view of overcapacity in by-product processing, competition between operators is set to remain fierce, leading to a more aggressive search for raw materials, which will be increasingly scarce and therefore more expensive, eroding commercial margins.

The ETSA Group has a legitimate expectation that the Portuguese State will settle all outstanding payments for SIRCA services, representing a total of 5.5 million euros, during the 2<sup>nd</sup> quarter of 2014.

The ETSA Group's prime objectives in the short term include: (i) concentrating on horizontal expansion of its markets (with estimates suggesting that exports accounted for around 28.9% of total turnover in the 1st quarter of 2014); and (ii) identifying fresh opportunities for vertical growth, channelling investment to improving operational efficiency, extracting maximum value from the channels operated and retaining the loyalty of the main conventional and alternative collection centres.

The ETSA Group has successfully concluded a number of capital projects, primarily geared to converting industrial consumption and setting up new business units to boost value adding.

## *7. Subsequent developments*

In April 2014, Semapa SGPS issued bonds with a total value of 150 million euros, maturing in 2019. The bonds were issued through a public offering, and the initial value of the issue was increased by 50% during the subscription period, in view of the strong demand from investors. The interest on these bonds corresponds to the Euribor 6M rate plus a spread of 3.25% per annum.

Lisbon, 08 May 2014

The Board of Directors

Pedro Mendonça de Queiroz Pereira

Chairman

Francisco José Melo e Castro Guedes

Director

José Miguel Pereira Gens Paredes

Director

Paulo Miguel Garcês Ventura

Director

António da Nóbrega de Sousa da Câmara

Director

Joaquim Martins Ferreira do Amaral

Director

António Pedro de Carvalho Viana-Baptista

Director

Vitor Manuel Galvão Rocha Novais Gonçalves

Director

## PART 2

### CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED SEPARATE INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014 AND 2013

Amounts in Euro	Notes	1st Q 2014 (Unaudited)	1st Q 2013 (Unaudited) Restated
<b>Revenues</b>			
Sales	4	459,305,856	449,516,295
Services rendered	4	9,579,615	9,558,277
<b>Other income</b>			
Gains on disposal of non-current assets	5	162,877	3,417,419
Other operating income	5	13,212,524	4,988,845
<b>Change in fair value of biological assets</b>		1,201,551	1,988,729
<b>Costs, expenses and losses</b>			
Cost of inventories sold and consumed	6	(205,492,484)	(188,991,632)
Variation in production	6	14,517,382	5,025,254
Cost of materials and services consumed	6	(134,785,492)	(131,253,796)
Payroll costs	6	(49,931,379)	(51,260,607)
Other costs and losses	6	(13,959,737)	(4,885,375)
Provisions	6	(360,727)	(749,346)
<b>Depreciation, amortisation and impairment losses</b>	7	(40,387,338)	(43,257,738)
<b>Operational results</b>		<b>53,062,648</b>	<b>54,096,325</b>
Group share of (loss) / gains of associated companies		124,072	(238,377)
Net financial results	8	(26,466,612)	(21,833,473)
<b>Profit before taxes</b>		<b>26,720,108</b>	<b>32,024,475</b>
Income tax expense	9	(628,727)	(10,431,104)
<b>Profit for the period</b>		<b>26,091,381</b>	<b>21,593,371</b>
<b>Retained earnings from the period</b>			
<b>Attributable to Semapa's shareholders</b>		<b>17,524,994</b>	<b>12,207,829</b>
Attributable to non-controlling interests		8,566,387	9,385,542
<b>Earnings per share</b>			
Basic earnings per share, EUR	10	0.155	0.108
Diluted earnings per share, EUR	10	0.155	0.108

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014 AND 2013

Amounts in Euro	1st Q 2014 (Unaudited)	1st Q 2013 (Unaudited) Restated
<b>Retained earnings for the period without non-controlling interests</b>	<b>26,091,381</b>	<b>21,593,371</b>
<b>Items that may subsequently be reclassified to the income statement</b>		
Derivative Financial Instruments		
Fair value changes	923,234	459,191
Tax on items above when applicable	101,301	421,985
Currency translation differences	5,798,129	9,546,805
Share of other comprehensive income of associates	(896,527)	-
<b>Items that will not be reclassified to the income statement</b>		
Remeasurements of post employment benefit obligations		
Actuarial gains / (losses)	1,099,862	74,265
Tax on items above when applicable	(168,592)	33,517
<b>Other comprehensive income for the period</b>	<b>6,857,407</b>	<b>10,535,763</b>
<b>Total comprehensive income for the period</b>	<b>32,948,788</b>	<b>32,129,134</b>
<b>Attributable to:</b>		
Semapa's shareholders	24,355,277	20,770,213
Non-controlling interests	8,593,511	11,358,921
	<b>32,948,788</b>	<b>32,129,134</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2014 AND 31 DECEMBER 2013

Amounts in Euro	Notes	31-03-2014 (Unaudited)	31-12-2013 Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill		296,680,236	296,680,236
Other intangible assets		281,649,358	269,879,796
Property, plant and equipment	11	2,070,163,213	2,101,708,448
Investment properties		1,425,570	1,431,752
Biological assets		112,540,856	111,339,306
Investment in associates and joint ventures	12	104,721,805	102,761,132
Financial assets at fair value through profit or loss	13	469,379	482,923
Available-for-sale financial assets		382,329	346,257
Deferred tax assets	17	82,424,692	84,531,715
Other non-current assets		6,072,175	6,053,886
		<b>2,956,529,613</b>	<b>2,975,215,451</b>
<b>Current assets</b>			
Inventories		303,486,559	296,958,845
Receivables and other current assets	14	310,678,619	279,378,867
State and other public entities		60,058,695	62,649,442
Non-current assets held for sale		1,159,065	1,174,069
Cash and cash equivalents	19	668,358,567	649,479,098
		<b>1,343,741,505</b>	<b>1,289,640,321</b>
<b>Total assets</b>		<b>4,300,271,118</b>	<b>4,264,855,772</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	15	118,332,445	118,332,445
Treasury shares		(47,164,986)	(47,164,986)
Share premiums		3,923,459	3,923,459
Translation reserves	16	(43,548,967)	(49,274,921)
Fair value reserves	16	(13,167,335)	(14,243,578)
Other reserves	16	924,814,439	924,814,439
Retained earnings		(56,443,514)	(201,788,562)
Retained earnings from the period		17,524,994	146,125,472
<b>Consolidated shareholders' equity</b>		<b>904,270,535</b>	<b>880,723,768</b>
Non-controlling interests		336,275,696	329,273,818
<b>Total equity</b>		<b>1,240,546,231</b>	<b>1,209,997,586</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	316,537,609	320,768,260
Pensions and other post-employment benefits		3,725,164	3,922,272
Provisions	18	72,508,206	79,170,156
Interest-bearing liabilities	19	1,717,384,979	1,895,951,695
Other non-current liabilities		44,584,253	46,844,136
		<b>2,154,740,211</b>	<b>2,346,656,519</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	19	404,513,695	227,691,887
Payables and other current liabilities	20	374,776,980	332,148,350
State and other public entities		125,593,736	148,261,165
Liabilities held for sale		100,265	100,265
		<b>904,984,676</b>	<b>708,201,667</b>
<b>Total liabilities</b>		<b>3,059,724,887</b>	<b>3,054,858,186</b>
<b>Total equity and liabilities</b>		<b>4,300,271,118</b>	<b>4,264,855,772</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2014 TO 31 MARCH 2014 AND FROM 1 JANUARY 2013 TO 31 MARCH 2013

Amounts in Euro	Share Capital	Treasury Shares	Share Premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Profit for the period	Total	Non-controlling interests	Total
<b>Equity as of 1 January 2014 ( Restated)</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(14.243.578)</b>	<b>924.814.439</b>	<b>(49.274.921)</b>	<b>(201.788.562)</b>	<b>146.125.472</b>	<b>880.723.768</b>	<b>329.273.818</b>	<b>1.209.997.586</b>
Application of 2013 profit of the year:											
- Transfer to retained earnings	-	-	-	-	-	-	146.125.472	(146.125.472)	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(50.000)	(50.000)
Other comprehensive income for the year*	-	-	-	1.076.243	-	5.725.954	28.197	-	6.830.394	27.013	6.857.407
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(808.608)	-	(808.608)	(1.547.141)	(2.355.749)
Other movements	-	-	-	-	-	-	(13)	-	-	(13)	5.619
Profit for the period	-	-	-	-	-	-	-	17.524.994	17.524.994	8.566.387	26.091.381
<b>Equity as of 31 March 2014</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(13.167.335)</b>	<b>924.814.439</b>	<b>(43.548.967)</b>	<b>(56.443.514)</b>	<b>17.524.994</b>	<b>904.270.535</b>	<b>336.275.696</b>	<b>1.240.546.231</b>

\* Net of deferred taxes

Amounts in Euro	Share Capital	Treasury Shares	Share Premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Profit for the period	Total	Non-controlling interests	Total
<b>Equity as of 1 January 2013</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(20.213.050)</b>	<b>953.599.979</b>	<b>(25.322.950)</b>	<b>(313.759.714)</b>	<b>126.516.088</b>	<b>795.911.271</b>	<b>335.228.645</b>	<b>1.131.139.916</b>
Application of 2012 profit of the year:											
- Transfer to retained earnings	-	-	-	-	-	-	126.516.088	(126.516.088)	-	-	-
Other comprehensive income for the year*	-	-	-	1.157.155	-	7.318.097	87.132	-	8.562.384	1.973.379	10.535.763
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	-	-	-	1.500	1.500
Consolidation method changes	-	-	-	-	-	-	-	-	-	(42.943)	(42.943)
Other movements	-	-	-	-	-	-	(12.795)	-	(12.795)	(878)	(13.673)
Profit for the period	-	-	-	-	-	-	-	12.207.829	12.207.829	9.385.542	21.593.371
<b>Equity as of 31 March 2013</b>	<b>118.332.445</b>	<b>(47.164.986)</b>	<b>3.923.459</b>	<b>(19.055.895)</b>	<b>953.599.979</b>	<b>(18.004.853)</b>	<b>(187.169.289)</b>	<b>12.207.829</b>	<b>816.668.689</b>	<b>346.545.245</b>	<b>1.163.213.934</b>

\* Net of deferred taxes

# CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014 AND 2013

Amounts in Euro	Notes	1st Q 2014 (Unaudited)	1st Q 2013 (Unaudited) Restated
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		512.806.159	499.267.278
Payments to suppliers		(400.107.327)	(424.340.985)
Payments to personnel		(53.788.947)	(44.720.689)
Cash flow from operations		58.909.885	30.205.604
Income tax received / (paid)		1.634.477	771.404
Other receipts / (payments) relating to operating activities		11.993.166	953.248
<b>Cash flow from operating activities (1)</b>		<b>72.537.528</b>	<b>31.930.256</b>
<b>INVESTING ACTIVITIES</b>			
<b>Inflows:</b>			
Financial investments		-	1.397
Property, plant and equipment		1.198.962	114.900
Interest and similar income		1.458.458	1.886.327
Dividends		115.854	226.006
		2.773.274	2.228.630
<b>Outflows:</b>			
Financial investments		(14.914.300)	(6.041.774)
Cash and cash equivalents - changes in consolidation perimeter		-	6.683.237
Property, plant and equipment		(7.264.985)	(14.293.742)
Other assets		(750.000)	-
		(22.929.285)	(13.652.279)
<b>Cash flow from investing activities (2)</b>		<b>(20.156.011)</b>	<b>(11.423.649)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Inflows:</b>			
Proceeds from borrowings		384.239.259	721.330.163
		384.239.259	721.330.163
<b>Outflows:</b>			
Repayments of borrowings		(395.687.021)	(693.524.790)
Repayment of financial leases		(202.022)	(240.513)
Interest and similar expenses		(22.356.483)	(13.128.124)
Dividends		(202.615)	(59.080)
		(418.448.141)	(706.952.507)
<b>Cash flow from financing activities (3)</b>		<b>(34.208.882)</b>	<b>14.377.656</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)</b>		<b>18.172.635</b>	<b>34.884.263</b>
EXCHANGE GAINS/(LOSSES) ON CASH AND CASH EQUIVALENTS		706.834	1.477.850
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>19</b>	<b>649.479.098</b>	<b>411.230.551</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>19</b>	<b>668.358.567</b>	<b>447.592.664</b>

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# SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

(In these notes, unless indicated otherwise, all amounts are expressed in Euro)

The SEMAPA Group (“Group”) comprises Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. (“Semapa”) and its subsidiaries. Semapa was incorporated on 21 June 1991 and has as its main business object the management of financial investments in other companies as an indirect form of carrying out economic activity.

**Head Office:** Av. Fontes Pereira de Melo, 14, 10th Floor, Lisbon  
**Share Capital:** Euro 118,332,445  
**Corporate body number:** 502 593 130

Semapa leads an Enterprise Group with activities in three distinct business segments: pulp and paper, cement and derivatives, and environment, developed respectively through its subsidiaries Portucel, S.A., Secil - Companhia Geral de Cal e Cimento, S.A. and ETSA – Investimentos, SGPS, S.A..

These consolidated financial statements were approved by the Board of Directors on 8 May 2014.

The Group’s senior management, that is the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group’s consolidation perimeter.

## 1. Basis of preparation

The interim consolidated financial statements for the three months period ended 31 March 2014 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accompanying interim consolidated financial statements were prepared on the going concern basis from the accounting books and records of the companies included in consolidation (Note 25), and under the historic cost convention, except for biological assets, available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments which are recorded at fair value. Tangible assets acquired until 1 January 2014 have been recorded at revaluated cost.

The following notes were selected in order to allow a full understanding of the most significant changes on the consolidated financial position and performance of the group since the last annual report as of 31 December 2013.

### Comparability

#### *Restatement – joint ventures*

In accordance with IFRS 11 - Joint agreements, the Group applied the equity accounting method to its investments in joint ventures, Supremo Cimentos S.A. and Secil Unicom, SGPS, S.A., previously proportionately consolidated by the Group.

Translation of a report originally issued in Portuguese – Note 26

In light of the foregoing, the presented consolidated financial statements, relating to comparative periods as at 31 December 2013 and 31 March 2013, have been restated in order to accommodate the change in this accounting policy.

The impacts of the restatement in the Consolidated Statement of Financial Position as of 31 December 2013 are as follows:

Amounts in Euro	31-12-2013 <i>Restated</i>	31-12-2013 <i>Published</i>	Impacts
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	296,680,236	335,700,924	(39,020,688)
Other intangible assets	269,879,796	290,310,424	(20,430,628)
Property, plant and equipment	2,101,708,448	2,197,206,941	(95,498,493)
Investment properties	1,431,752	1,431,752	-
Biological assets	111,339,306	111,339,306	-
Investment in associates and joint ventures	102,761,132	3,439,994	99,321,138
Financial assets at fair value through profit or loss	482,923	482,923	-
Available-for-sale financial assets	346,257	346,257	-
Deferred tax assets	84,531,715	84,698,331	(166,616)
Other non-current assets	6,053,886	6,111,194	(57,308)
	<b>2,975,215,451</b>	<b>3,031,068,046</b>	<b>(55,852,595)</b>
<b>Current assets</b>			
Inventories	296,958,845	299,644,017	(2,685,172)
Receivables and other current assets	279,378,867	280,662,214	(1,283,347)
State and other public entities	62,649,442	64,719,854	(2,070,412)
Non-current assets held for sale	1,174,069	1,174,069	-
Cash and cash equivalents	649,479,098	666,345,306	(16,866,208)
	<b>1,289,640,321</b>	<b>1,312,545,460</b>	<b>(22,905,139)</b>
<b>Total assets</b>	<b>4,264,855,772</b>	<b>4,343,613,506</b>	<b>(78,757,734)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	118,332,445	118,332,445	-
Treasury shares	(47,164,986)	(47,164,986)	-
Share premiums	3,923,459	3,923,459	-
Translation reserves	(49,274,921)	(49,274,921)	-
Fair value reserves	(14,243,578)	(14,243,578)	-
Other reserves	924,814,439	924,814,439	-
Retained earnings	(201,788,562)	(201,788,562)	-
Retained earnings from the period	146,125,472	146,125,472	-
<b>Consolidated shareholders' equity</b>	<b>880,723,768</b>	<b>880,723,768</b>	<b>-</b>
Non-controlling interests	329,273,818	328,074,030	1,199,788
<b>Total equity</b>	<b>1,209,997,586</b>	<b>1,208,797,798</b>	<b>1,199,788</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	320,768,260	338,289,795	(17,521,535)
Pensions and other post-employment benefits	3,922,272	3,922,272	-
Provisions	79,170,156	76,184,019	2,986,137
Interest-bearing liabilities	1,895,951,695	1,929,394,235	(33,442,540)
Other non-current liabilities	46,844,136	48,021,571	(1,177,435)
	<b>2,346,656,519</b>	<b>2,395,811,892</b>	<b>(49,155,373)</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	227,691,887	250,603,409	(22,911,522)
Payables and other current liabilities	332,148,350	339,301,436	(7,153,086)
State and other public entities	148,261,165	148,998,706	(737,541)
Liabilities held for sale	100,265	100,265	-
	<b>708,201,667</b>	<b>739,003,816</b>	<b>(30,802,149)</b>
<b>Total liabilities</b>	<b>3,054,858,186</b>	<b>3,134,815,708</b>	<b>(79,957,522)</b>
<b>Total equity and liabilities</b>	<b>4,264,855,772</b>	<b>4,343,613,506</b>	<b>(78,757,734)</b>

Translation of a report originally issued in Portuguese – Note 26

The impacts of the restatement in the Consolidated Separate Income Statement for the three months period ended 31 March 2013 are as follows:

Amounts in Euro	1st Q 2013 (Unaudited) Restated	1ºQ 2013 (Unaudited) Published	Impacts
<b>Revenues</b>			
Sales	449,516,295	454,168,076	(4,651,781)
Services rendered	9,558,277	11,259,312	(1,701,035)
<b>Other income</b>			
Gains on disposal of non-current assets	3,417,419	3,417,421	(2)
Other operating income	4,988,845	5,295,173	(306,328)
<b>Change in fair value of biological assets</b>	1,988,729	1,988,729	-
<b>Costs, expenses and losses</b>			
Cost of inventories sold and consumed	(188,991,632)	(193,588,641)	4,597,009
Variation in production	5,025,254	5,944,471	(919,217)
Cost of materials and services consumed	(131,253,796)	(132,481,471)	1,227,675
Payroll costs	(51,260,607)	(52,714,995)	1,454,388
Other costs and losses	(4,885,375)	(4,932,170)	46,795
Provisions	(749,346)	(581,995)	(167,351)
<b>Depreciation, amortisation and impairment losses</b>	(43,257,738)	(43,629,086)	371,348
<b>Operational results</b>	<b>54,096,325</b>	<b>54,144,824</b>	<b>(48,499)</b>
Group share of (loss) / gains of associated companies	(238,377)	20,999	(259,376)
Net financial results	(21,833,473)	(22,208,064)	374,591
<b>Profit before taxes</b>	<b>32,024,475</b>	<b>31,957,759</b>	<b>66,716</b>
Income tax expense	(10,431,104)	(10,407,331)	(23,773)
<b>Profit for the period</b>	<b>21,593,371</b>	<b>21,550,428</b>	<b>42,943</b>
<b>Retained earnings from the period</b>			
Attributable to Semapa's shareholders	12,207,829	12,207,829	-
Attributable to non-controlling interests	9,385,542	9,342,599	42,943
<b>Earnings per share</b>			
Basic earnings per share, EUR	0.108	0.108	0.000
Diluted earnings per share, EUR	0.108	0.108	0.000

## 2. Accounting policies

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent to those used in the preparation of the financial statements as of 31 December 2013 and stated in the respective attached notes, with the exception of the accounting policy applicable to the accounting for joint ventures described in Note 1.3.3 of the consolidated financial statements as of 31 December 2013, that stated the following:

*“A jointly-controlled entity is a joint venture which involves the establishment of a company, a partnership or another entity in which the Group has an interest.*

*Jointly-controlled entities are included in the consolidated financial statements under the proportional consolidation method, with the assets, liabilities and income and expenses of the jointly-controlled entities recognised on a line-by-line basis in the consolidated financial statements.”*

Translation of a report originally issued in Portuguese – Note 26

With the effective application of IFRS 11 - Joint agreements, the interest of an investor in jointly controlled entities is recognised as an investment accounted for under the equity method instead of the proportional consolidation method.

### 3. Estimates and judgments

The preparation of consolidated financial statements requires that Group's management performs judgments and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at balance sheet date.

These estimates are influenced by Group's management's judgments, based on: (i) the best information and knowledge of present events and in certain cases on the reports of independent experts; and (ii) the actions which the Group considers it may have to take in the future. However, on the date on which the operations are realised, the outcome can be different from those estimates.

### 4. Segment reporting

Segmental information is presented in relation to the business segments identified, namely Pulp and Paper, Cement and Derivatives, Environment and Holdings. The earnings, assets and liabilities for each segment correspond to those which are directly attributed to them, as well as those which can be imputed to them on a reasonable basis.

The financial information by operating segment for the three months period ended 31 March 2014 is shown as follows:

Amounts in Euro	Pulp and Paper	Cement and derivatives	Environment	Holdings	Consolidated
<b>INCOME STATEMENT</b>					
Revenue	365,335,353	97,538,744	6,011,374	-	468,885,471
Operational results	48,071,546	6,281,568	580,468	(1,870,934)	53,062,648
Net financial results	(7,264,374)	(4,311,288)	(321,682)	(14,569,268)	(26,466,612)
Group share of (loss) / gains of associated companies	-	124,072	-	-	124,072
Income tax expense	(2,657,843)	2,108,793	(79,677)	-	(628,727)
<b>Profit for the period</b>	<b>38,149,329</b>	<b>4,203,145</b>	<b>179,109</b>	<b>(16,440,202)</b>	<b>26,091,381</b>
Profit for the period- Attributable to non-controlling interest	(7,188,951)	(1,377,414)	(22)	-	(8,566,387)
<b>Profit for the period- Attributable to Semapa's shareholders</b>	<b>30,960,378</b>	<b>2,825,731</b>	<b>179,087</b>	<b>(16,440,202)</b>	<b>17,524,994</b>
<b>OTHER INFORMATION</b>					
Segment assets	2,810,512,823	1,242,850,859	95,190,142	151,717,294	4,300,271,118
Deferred tax assets	28,872,695	13,007,191	1,056,697	39,488,109	82,424,692
Total assets of post-employment benefits	1,376,647	-	-	-	1,376,647
Investment in associates and joint ventures	-	104,721,805	-	-	104,721,805
Segment liabilities	1,446,879,419	673,466,445	36,806,189	902,572,834	3,059,724,887
Depreciation, amortisation and impairment losses	29,827,541	9,862,160	614,853	82,784	40,387,338
Provisions	54,145	301,335	5,247	-	360,727
Capital expenditures	1,275,177	3,399,874	1,069,697	11,854	5,756,602

Translation of a report originally issued in Portuguese – Note 26

The financial information by operating segment for the three months period ended 31 March 2013 is shown as follows:

Amounts in Euro	Pulp and Paper	Cement and derivatives	Environment	Holdings	Consolidated
<b>INCOME STATEMENT</b>					
Revenue	356,864,726	95,495,380	6,714,466	-	459,074,572
Operational results	54,443,596	(554,760)	597,791	(390,302)	54,096,325
Net financial results	(3,086,876)	(3,602,494)	(319,276)	(14,824,827)	(21,833,473)
Group share of (loss) / gains of associated companies	-	(238,377)	-	-	(238,377)
Income tax expense	(9,291,165)	(1,086,970)	(52,599)	(370)	(10,431,104)
<b>Profit for the period</b>	<b>42,065,555</b>	<b>(5,482,601)</b>	<b>225,916</b>	<b>(15,215,499)</b>	<b>21,593,371</b>
Profit for the period- Attributable to non-controlling interest	(8,067,456)	(1,309,050)	(9,036)	-	(9,385,542)
<b>Profit for the period- Attributable to Semapa's shareholders</b>	<b>33,998,099</b>	<b>(6,791,651)</b>	<b>216,880</b>	<b>(15,215,499)</b>	<b>12,207,829</b>
<b>OTHER INFORMATION</b>					
Segment assets	2,753,235,949	1,284,451,538	97,609,865	126,609,352	4,261,906,704
Deferred tax assets	38,492,418	14,813,799	771,941	6,086,166	60,164,324
Investment in associates and joint ventures	-	100,533,507	-	-	100,533,507
Segment liabilities	1,375,529,254	653,707,327	41,730,397	1,027,725,793	3,098,692,771
Depreciation, amortisation and impairment losses	30,835,846	11,643,725	707,398	70,769	43,257,738
Provisions	38,820	297,598	12,929	399,999	749,346
Capital expenditures	2,954,095	13,834,392	1,384,938	17,816	18,191,241

## 5. Other income

For the three months periods ended 31 March 2014 and 2013 the caption other income comprises:

Amounts in Euro	1st Q 2014	1st Q 2013
Grants - CO2 emission allowances	7,933,123	1,935,850
Adjustments reversal	89,369	243,993
Impairment reversal	8,336	45,769
Gains on disposals of emission allowances	1,561,769	-
Supplementary income	247,140	323,927
Gains on disposals of non-current assets	162,877	3,417,419
Gains on inventories	383,424	178,818
Gains on disposals of current assets	21,930	8,834
Government grants	102,694	75,343
Own work capitalised	14,947	162
Revenues from waste management	206,529	143,853
Other operating income	2,643,263	2,032,296
	<b>13,375,401</b>	<b>8,406,264</b>



Translation of a report originally issued in Portuguese – Note 26

## 6. Cost, expenses and losses

For the three months periods ended 31 March 2014 and 2013 Cost, expenses and losses comprises:

Amounts in Euro	1st Q 2014	1st Q 2013
<b>Cost of sales and service rendered</b>		
Cost of inventories sold and consumed	(205,492,484)	(188,991,632)
<b>Cost of materials and services consumed</b>	(134,785,492)	(131,253,796)
<b>Variation in production</b>	14,517,382	5,025,254
<b>Payroll costs</b>		
Statutory bodies	(4,863,233)	(3,891,918)
Other remunerations	(32,835,172)	(34,242,173)
Pension costs	(629,905)	(1,263,108)
Other payroll costs	(11,603,069)	(11,863,408)
	<b>(49,931,379)</b>	<b>(51,260,607)</b>
<b>Other costs and losses</b>		
Membership fees	(420,424)	(147,934)
Donations	(308,925)	(191,787)
Cost with CO2 emission allowances	(8,051,949)	(1,067,123)
Inventories and other receivables impairment	(638,197)	(642,324)
Losses on inventories	(2,922,964)	(105,727)
Indirect taxes	(1,086,722)	(1,900,473)
Losses on disposal of non-current assets	(42,890)	-
Other operating costs	(487,666)	(830,007)
	<b>(13,959,737)</b>	<b>(4,885,375)</b>
<b>Provisions (Note 18)</b>	(360,727)	(749,346)
<b>Total of Costs, Expenses and Losses</b>	<b>(390,012,437)</b>	<b>(372,115,502)</b>

## 7. Depreciation, amortisation and impairment losses

For the three months periods ended 31 March 2014 and 2013 the caption Depreciation, amortisation and impairment losses were detailed as follows:

Amounts in Euro	1st Q 2014	1st Q 2013
<b>Depreciation of property, plant and equipment</b>		
Land	(980,900)	(1,032,211)
Buildings	(4,474,119)	(5,230,896)
Equipments and other tangibles	(35,078,154)	(35,481,990)
	<b>(40,533,173)</b>	<b>(41,745,097)</b>
<b>Amortisation of intangible assets</b>		
Industrial property and other rights	(20,874)	(1,838,198)
	<b>(20,874)</b>	<b>(1,838,698)</b>
<b>Impairment losses of tangible assets</b>		
Land	(105,316)	-
Buildings	1,111	-
Equipments	290,616	346,159
	<b>186,411</b>	<b>346,159</b>
<b>Impairment losses in assets held for sale</b>	<b>(15,004)</b>	<b>(15,004)</b>
<b>Impairment losses in investment properties</b>		
Buildings	(4,698)	(5,098)
	<b>(4,698)</b>	<b>(5,098)</b>
	<b>(40,387,338)</b>	<b>(43,257,738)</b>

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## 8. Net financial results

For the three months periods ended 31 March 2014 and 2013 Net financial results comprise:

Amounts in Euro	1st Q 2014	1st Q 2013
Interest on loans from shareholders	(204.351)	(52.057)
Interest on borrowings	(23.329.321)	(18.044.624)
Interest on loans from associated companies	70.024	10.895
Other interest earned	1.400.307	1.865.046
Compensatory interest	129.647	444.534
Fair value in available-for-sale financial assets	36.072	(11.047)
Financial assets at fair value through profit and loss	(13.544)	439.180
Gains / (losses) on financial instruments - hedging	207.465	219.215
Gains / (losses) on financial instruments - trading	(887.479)	(2.204.565)
Foreign exchange gains / (losses)	(1.272.000)	(1.529.389)
Other financial expenses	(2.687.093)	(2.970.661)
Other financial income	83.661	-
	<b>(26.466.612)</b>	<b>(21.833.473)</b>

## 9. Income tax

Semapa SGPS, S.A. is the dominant company of the group subject to the special regime governing business groups comprising companies in which the shareholding is equal to or more than 75% and which meet the conditions laid down in articles 69 and following of the Corporate Income Tax Code. Thus, as of 1 January 2014, the tax business group comprises the subsidiaries Portucel S.A. and Secil, S.A. and corresponding subsidiaries that comply with the referred conditions.

As of 31 March 2014 and 2013 the caption income tax expense comprises:

Amounts in Euro	1st Q 2014	1st Q 2013
Current tax	14,040,732	16,064,349
Provision for current tax	(10,246,427)	420,422
Deferred tax	(3,165,578)	(6,053,667)
	<b>628,727</b>	<b>10,431,104</b>

The reconciliation of the effective tax rate for the three months periods ended 31 March 2014 and 2013 was as follows:

Amounts in Euro	1st Q 2014	1st Q 2013
Profit before tax	26,720,108	32,024,475
Expected income tax	6,546,426	8,486,486
State Surcharge	2,340,108	1,526,595
Differences (a)	1,095,967	(2,799,297)
Prior year tax adjustments	(724,305)	(149,855)
Recoverable tax losses carried forward	(23,145)	(329,354)
Non recoverable tax losses	6,445,808	5,501,172
Impairment and reversal of provisions	(10,577,834)	-
Impact of the change in the income tax rate	(4,656,962)	(29,812)
Provision for current tax	-	420,422
Tax benefits	-	(2,403,630)
Other	182,664	208,377
	<b>628,727</b>	<b>10,431,104</b>
Effective tax rate	2.35%	32.57%

(a) This amount is made up essentially of :

Effects arising from the application of the equity method	(124.072)	238.377
Capital gains / (losses) for tax purposes	161.040	121.505
Capital gains / (losses) for accounting purposes	(183.791)	(133.826)
Impairment of taxed provisions	378.935	722.339
Tax benefits	(577.988)	(1.117.922)
Provisions for tax purposes	(156.079)	(271.045)
Intra-group earning's subject to taxation	(357.279)	(368.906)
Employees benefits	60.369	180.309
Others	5.272.201	(9.934.216)
	4.473.336	(10.563.385)
<b>Tax effect (2014: 24.5% and 2013: 26.5%)</b>	<b>1.095.967</b>	<b>(2.799.297)</b>

In Portugal, the annual tax returns are subject to review and potential adjustment by tax authorities for a period up to 4 years. However, if tax losses are utilized, these may be subject to review by the tax authorities for a longer period.

In other countries where the Group operates, these periods are different and, in most cases, longer.

The Board of Directors believes that any reviews/ inspections by tax authorities will not have a material impact on the interim consolidated financial statements as of 31 March 2014. The income tax returns up to 2011, inclusive, of Portucel, Soporcel, Secil and Semapa have already been reviewed.

## 10. Earnings per share

There are no convertible financial instruments over Semapa' shares, so there is no dilution of earnings.

Amounts in Euro	1st Q 2014	1st Q 2013
Profit attributable to Semapa's shareholders	17,524,994	12,207,829
Weighted average number of ordinary shares in issue	112,884,470	112,884,470
Basic earnings per share	0.155	0.108
Diluted earnings per share	0.155	0.108

The weighted average number of shares is shown after deducting 5,447,975 treasury shares owned by Semapa, SGPS, S.A..

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## 11. Property, plant and equipment

The following movements were registered in the three months period ended 31 March 2014 and in the year ended 31 December 2013 under the caption Property, plant and equipment, as well as on the respective depreciation and impairment losses accounts:

Amounts in Euro	Land	Buildings and other constructions	Equipments and other tangibles	Assets under construction	Total
<b>Acquisition Cost</b>					
<b>Amount as of 1 January 2013</b>	<b>366,070,621</b>	<b>979,628,684</b>	<b>4,764,735,913</b>	<b>47,271,743</b>	<b>6,157,706,961</b>
Change of consolidation perimeter	-	-	927,798	-	927,798
Acquisition	445,249	2,794,524	18,062,766	45,761,481	67,064,020
Disposals	(37,668)	(155,220)	(14,742,083)	(357,629)	(15,292,600)
Adjustments, transfers and write-off's	2,232,810	13,744,273	56,820,476	(61,997,253)	10,800,306
Exchange rate adjustment	(6,123,467)	(5,224,453)	(20,923,028)	(1,133,363)	(33,404,311)
<b>Amount as of 31 December 2013</b>	<b>362,587,545</b>	<b>990,787,808</b>	<b>4,804,881,842</b>	<b>29,544,979</b>	<b>6,187,802,174</b>
Acquisition	-	21,217	395,032	5,340,353	5,756,602
Disposals	-	(127,389)	(1,607,145)	(29)	(1,734,563)
Adjustments, transfers and write-off's	(375,931)	(3,785,241)	5,048,544	(1,472,538)	(585,166)
Exchange rate adjustment	1,998,174	1,143,282	5,568,818	137,544	8,847,818
<b>Amount as of 31 March 2014</b>	<b>364,209,788</b>	<b>988,039,677</b>	<b>4,814,287,091</b>	<b>33,550,309</b>	<b>6,200,086,865</b>
<b>Accumulated depreciations and impairment losses</b>					
<b>Amount as of 1 January 2013</b>	<b>(43,727,687)</b>	<b>(605,732,246)</b>	<b>(3,282,798,371)</b>	<b>(102,292)</b>	<b>(3,932,360,596)</b>
Change of consolidation perimeter	-	-	(773,165)	-	(773,165)
Depreciation and impairment losses	(5,163,478)	(17,820,063)	(141,663,458)	(1,202,321)	(165,849,320)
Disposals	-	145,397	14,495,338	-	14,640,735
Adjustments, transfers and write-off's	(628,275)	(5,574,178)	(10,804,953)	(264,999)	(17,272,405)
Exchange rate adjustment	1,482,699	2,547,724	11,414,283	76,319	15,521,025
<b>Amount as of 31 December 2013</b>	<b>(48,036,741)</b>	<b>(626,433,366)</b>	<b>(3,410,130,326)</b>	<b>(1,493,293)</b>	<b>(4,086,093,726)</b>
Depreciation and impairment losses	(1,086,216)	(4,466,202)	(36,132,946)	-	(41,685,364)
Disposals	-	127,138	1,637,583	-	1,764,721
Adjustments, transfers and write-off's	300,377	(300,377)	40,984	-	40,984
Exchange rate adjustment	(556,723)	(536,650)	(2,856,894)	-	(3,950,267)
<b>Amount as of 31 March 2014</b>	<b>(49,379,303)</b>	<b>(631,609,457)</b>	<b>(3,447,441,599)</b>	<b>(1,493,293)</b>	<b>(4,129,923,652)</b>
<b>Net book value as of 1 January 2013</b>	<b>322,342,934</b>	<b>373,896,438</b>	<b>1,481,937,542</b>	<b>47,169,451</b>	<b>2,225,346,365</b>
<b>Net book value as of 31 December 2013</b>	<b>314,550,804</b>	<b>364,354,442</b>	<b>1,394,751,516</b>	<b>28,051,686</b>	<b>2,101,708,448</b>
<b>Net book value as of 31 March 2014</b>	<b>314,830,485</b>	<b>356,430,220</b>	<b>1,366,845,492</b>	<b>32,057,016</b>	<b>2,070,163,213</b>

## 12. Investments in associates and joint ventures

As of 31 March 2014 and 31 December 2013, Investment in associates and joint ventures comprised:

Joint Ventures / Associated companies	Book value			
	% Held	31-03-2014	% Held	31-12-2013
<b>Joint Ventures</b>				
Supremo Cimentos, S.A.	50,00%	101.352.642	50,00%	99.321.138
<b>Associates</b>				
Setefrete, SGPS, S.A.	25,00%	2.918.120	25,00%	2.918.120
MC - Materiaux de Construction	49,36%	2.302	49,36%	2.211
J.M.J. - Henriques, Lda.	50,00%	381.825	100,00%	381.825
Sociedade de Inertes, Lda.	49,00%	648	49,00%	648
Ave, S.A.	35,00%	66.268	35,00%	137.190
		<b>104.721.805</b>		<b>102.761.132</b>

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The following movements were registered in this caption during the three months period ended 31 March 2014 and the year ended 31 December 2013:

Amounts in Euro	31-03-2014	31-12-2013
<b>Opening balance</b>	<b>102,761,132</b>	<b>114,317,067</b>
Change in consolidation perimeter	-	(1,790,832)
Acquisition	-	649
Group share of (loss) / gains	124,072	(98,824)
Dividends received	(115,852)	(713,506)
Exchange rate adjustments	1,952,453	(8,953,422)
<b>Closing balance</b>	<b>104,721,805</b>	<b>102,761,132</b>

### 13. Financial assets at fair value through profit and loss

The following movements were registered in this caption during the three months period ended 31 March 2014 and the year ended 31 December 2013:

Amounts in Euro	31-03-2014	31-12-2013
<b>Fair value at the beginning of the year</b>	<b>482,923</b>	<b>9,026,930</b>
Acquisitions	-	451,466
Disposals	-	(10,522,556)
Changes in fair value	(13,544)	1,527,083
	<b>469,379</b>	<b>482,923</b>

### 14. Receivables and other current assets

As of 31 March 2014 and 31 December 2013 the caption Receivables and other current assets comprised:

Amounts in Euro	31-03-2014	31-12-2013
Accounts receivable	245,084,480	249,018,585
Accounts receivable - related parties	18,664,224	3,564,813
Derivative financial instruments	276,994	809,343
Other receivables	24,220,175	9,401,979
Accrued income	4,973,003	5,870,869
Deferred costs	17,459,743	10,713,278
	<b>310,678,619</b>	<b>279,378,867</b>

*Note: The presented figures are net of impairment losses*

As of 31 March 2014 and 31 December 2013 the captions Accrued income and Deferred costs comprised:

Amounts in Euro	31-03-2014	31-12-2013
<b>Accrued income</b>		
Interest receivable	579,150	815,153
Other	4,393,853	5,055,716
	<b>4,973,003</b>	<b>5,870,869</b>
<b>Deferred costs</b>		
Insurance	5,508,028	213,459
Rents and leases	705,738	231,768
Post-employment plans	1,376,647	351,494
Other	9,869,330	9,916,557
	<b>17,459,743</b>	<b>10,713,278</b>
	<b>22,432,746</b>	<b>16,584,147</b>

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## 15. Share capital and treasury share

At 31 March 2014, Semapa share capital was fully subscribed and paid up, being represented by 118,332,445 shares with a unit nominal value of 1 Euro.

At 31 March 2014 and 31 December 2013 the following entities had substantial holdings in the company's capital:

Name	Number of shares	%	
		31-03-2014	31-12-2013
Longapar, SGPS, S.A.	21.505.400	18,17	18,17
Cimo - Gestão de Participações, SGPS, S.A.	16.199.031	13,69	13,69
Sodim, SGPS, S.A.	15.657.505	13,23	13,23
Banco BPI, S.A.	12.009.004	10,15	10,15
Bestinver Gestión, SGIIC, S.A.	11.865.210	10,03	10,03
Norges Bank (Central Bank of Norway)	5.649.215	4,77	4,77
Cimigest, SGPS, SA	3.185.019	2,69	2,69
Sociedade Agrícola da Quinta da Vialonga, S.A.	625.199	0,53	0,53
OEM - Organização de Empresas, SGPS, S.A.	535.000	0,45	0,45
Treasury shares	5.447.975	4,60	4,60
Other shareholders with less than 2% interest	25.653.887	21,68	21,68
	<b>118.332.445</b>	<b>100,00</b>	<b>100,00</b>

Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. holds 5,447,975 treasury shares.

## 16. Reserves

As of 31 March 2014 and 31 December 2013 the captions Fair value reserves, Translation reserves and Other reserves comprised:

Amounts in Euro	31-03-2014	31-12-2012
Fair value of financial instruments	(11,885,593)	(12,961,836)
Other fair value reserves	(1,281,742)	(1,281,742)
<b>Total amount of fair value reserves</b>	<b>(13,167,335)</b>	<b>(14,243,578)</b>
<b>Translation reserve</b>	<b>(43,548,967)</b>	<b>(49,274,921)</b>
Legal reserves	23,666,489	23,666,489
Others reserves	901,147,950	901,147,950
<b>Total amount of other reserves</b>	<b>924,814,439</b>	<b>924,814,439</b>
<b>Total reserves</b>	<b>868,098,137</b>	<b>861,295,940</b>

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## 17. Deferred taxes

The following movement took place in the caption Deferred tax assets and liabilities during the three months period ended 31 March 2014:

Amounts in Euro	As of 1 January 2014	Exchange adjustment	Income Statement		Retained earnings	Transfers	As of 31 March 2014
Temporary differences originating deferred tax assets							
Tax losses carried forward	173.292.002	-	364.285	(77.588)	-	-	173.578.699
Taxed provisions	34.746.935	169.232	518.745	(631.662)	-	(22.689)	34.780.561
Fixed assets adjustments	66.527.392	-	576.484	(10.657.989)	-	-	56.445.887
Underfunding of pension funds	94.181	3.713	-	-	-	-	97.894
Financial Instruments	1.823.506	-	-	-	70.812	-	1.894.318
Deferred accounting gains on inter-group transactions	20.663.157	-	4.796.615	(732.507)	-	-	24.727.265
Valuation of biological assets	(7.454.166)	-	-	-	-	7.454.166	-
Depreciation of assets recognised under IFRIC 4	139.499	-	-	-	-	-	139.499
Tax investment incentives	13.684.719	-	-	(364.696)	-	-	13.320.023
Liabilities with retirement benefits	449.538	2.732	1.653	-	-	-	453.923
Liabilities with long service award	534.664	-	-	(4.287)	-	-	530.377
Retirement benefits not covered by an autonomus fund	5.962.896	-	-	(153.948)	-	-	5.808.948
Derecognition of government grants- Accounting policy harmonization	4.697.619	-	-	(53.814)	-	-	4.643.805
Liabilities for healthcare benefits	334.751	-	-	-	-	-	334.751
Other temporary differences	12.923.463	336	57.585	(226.500)	-	22.689	12.777.573
	328.420.156	176.013	6.315.367	(12.902.991)	70.812	7.454.166	329.533.523
Temporary differences originating deferred tax liabilities							
Tangible asset revaluation	(1.212.108)	-	-	285.556	-	-	(926.552)
Retirements benefits	(1.510.458)	-	(1.029.401)	244.010	(571.499)	-	(2.867.348)
Derivative Financial Instruments	(765.768)	-	-	-	284.585	-	(481.183)
Fair Value of tangible assets	(378.417.078)	-	-	3.817.887	-	-	(374.599.191)
Tax Benefits	(21.156.027)	-	-	-	-	-	(21.156.027)
Extension of the useful life of the tangible assets	(87.797.535)	(154.322)	(814.399)	4.216.212	-	-	(84.550.044)
Deferred accounting losses on inter-group transactions	(12.138.325)	(2.165)	(3.360.677)	-	-	-	(15.501.167)
Deferred tax gains	(844.850)	-	-	17.883	-	-	(826.967)
Harmonisation of depreciation criteria	(170.357.447)	(820.551)	(768.314)	-	-	-	(171.946.312)
Fair Value of intangible assets	(131.188.000)	-	-	-	-	-	(131.188.000)
Fair value of subsidiaries	(110.089.194)	(2.602.497)	-	1.182.412	-	-	(111.509.279)
Other temporary differences	(3.051.121)	-	-	-	-	(7.454.166)	(10.505.287)
	(918.527.910)	(3.579.535)	(6.762.176)	9.763.960	(286.914)	(7.454.166)	(926.846.741)
Deferred tax assets	84.531.715	50.329	1.584.891	(3.759.592)	17.349	-	82.424.692
	84.531.715	50.329	1.584.891	(3.759.592)	17.349	-	82.424.692
Deferred tax liabilities	(320.768.260)	(1.024.988)	(1.686.563)	7.026.842	(84.640)	-	(316.537.609)
	(320.768.260)	(1.024.988)	(1.686.563)	7.026.842	(84.640)	-	(316.537.609)

The following movement took place in the caption Deferred tax assets and liabilities during the year ended 31 December 2013:

Amounts in Euro	As of 1 January 2013	Exchange adjustment	Income Statement		Retained earnings	Transfers	As of 31 March 2013
			Increases	Decreases			
Temporary differences originating deferred tax assets							
Tax losses carried forward	29,869,429	-	269,003	-	-	-	30,138,431
Taxed provisions	35,031,772	77,233	670,595	(163,949)	704,228	-	36,319,878
Fixed assets adjustments	78,961,709	-	12,199	(14,644,835)	141,506	-	64,470,579
Underfunding of pension funds	3,296,740	204	-	(1,782)	-	-	3,295,162
Financial Instruments	3,356,237	-	-	-	1,387,151	-	4,743,388
Deferred accounting gains on inter-group transactions	16,906,398	-	12,235,687	-	-	-	29,142,085
Valuation of biological assets	(4,804,893)	-	-	(1,586,309)	-	-	(6,391,202)
Depreciation of assets recognised under IFRIC 4	139,499	-	-	-	-	-	139,499
Tax investment incentives	15,143,501	-	-	(364,696)	-	-	14,778,805
Liabilities with retirement benefits	484,567	10,799	1,250	-	-	-	496,616
Liabilities with long service award	551,205	-	4,465	-	-	-	555,670
Retirement benefits not covered by an autonomus fund	6,739,721	-	-	(130,581)	-	-	6,609,140
Derecognition of government grants- Accounting policy harmonization	4,129,090	-	-	(218,008)	-	-	3,911,082
Liabilities for healthcare benefits	803,892	-	-	-	-	-	803,892
Other temporary differences	12,862,842	42,055	85,283	(249,910)	-	-	12,740,270
	203,471,708	130,291	13,278,482	(17,360,070)	2,232,885	-	201,753,296
Temporary differences originating deferred tax liabilities							
Tangible asset revaluation	(5,763,310)	-	-	613,814	-	-	(5,149,496)
Retirements benefits	(1,511,448)	-	(32,032)	13,543	106,403	-	(1,423,534)
Derivative Financial Instruments	(106,308)	-	-	(25,271)	(186,831)	-	(318,410)
Fair Value of tangible assets	(392,105,347)	-	-	3,817,887	-	-	(388,287,460)
Tax Benefits	(101,219,133)	-	-	20,015,776	-	-	(81,203,357)
Extension of the useful life of the tangible assets	(72,623,692)	(9,249)	(3,064,003)	11,831,346	(803,179)	-	(64,668,777)
Deferred accounting losses on inter-group transactions	(220,857,945)	(315,968)	(10,014,695)	-	-	-	(231,188,608)
Deferred tax gains	(904,480)	-	-	45,883	-	-	(858,597)
Harmonisation of depreciation criteria	(166,929,669)	(49,484)	(1,306,353)	-	-	-	(168,285,506)
Fair Value of intangible assets	(131,188,000)	-	-	-	-	-	(131,188,000)
Fair value of subsidiaries	(125,066,365)	(1,690,819)	-	1,487,991	-	-	(125,269,193)
Other temporary differences	(2,907,454)	-	-	-	-	15,509	(2,891,944)
	(1,221,183,149)	(2,065,520)	(14,417,083)	37,800,969	(883,607)	15,509	(1,200,732,881)
Deferred tax assets	60,706,092	19,567	3,975,316	(5,270,489)	733,838	-	60,164,324
Deferred tax liabilities	(435,388,960)	(382,481)	(3,986,257)	11,335,097	(278,336)	4,107	(428,696,830)

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## 18. Provisions

The following movement took place in the caption Provisions during the three months periods ended 31 March 2014:

Amounts in Euro	Legal claims	Tax claims	Environmental restauration	Others	Total
<b>As of 1 January 2014</b>	<b>1,308,009</b>	<b>30,700,077</b>	<b>7,138,176</b>	<b>40,023,894</b>	<b>79,170,156</b>
Increases (Note 6)	166,627	-	-	501,201	667,828
Reversals (Note 6)	(112,482)	-	(39,325)	(155,294)	(307,101)
Direct utilisations	-	-	(3,873)	(559,796)	(563,669)
Exchange adjustments	-	-	-	34,123	34,123
Financial discounts	-	-	71,865	-	71,865
Transfers and adjustments	-	(6,564,996)	-	-	(6,564,996)
<b>As of 31 March 2014</b>	<b>1,362,154</b>	<b>24,135,081</b>	<b>7,166,843</b>	<b>39,844,128</b>	<b>72,508,206</b>

## 19. Interest-bearing liabilities

As of 31 March 2014 and 31 December 2013, Group's net debt was as follows:

Amounts in Euro	31-03-2014	31-12-2013
<b>Interest-bearing liabilities</b>		
Non-current	1,717,384,979	1,895,951,695
Current	404,513,695	227,691,887
	<b>2,121,898,674</b>	<b>2,123,643,582</b>
<b>Cash and cash equivalents</b>		
Cash	396,040	389,375
Short term bank deposits	144,983,164	133,635,453
Other	522,979,363	515,454,270
	<b>668,358,567</b>	<b>649,479,098</b>
Market Value of shares held by the Group	224,342,650	188,865,104
<b>Interest bearing net debt</b>	<b>1,229,197,457</b>	<b>1,285,299,380</b>

### Non-current interest-bearing liabilities

As of 31 March 2014 and 31 December 2013 non-current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2014	31-12-2013
<b>Non-current</b>		
Bond loans	1,084,255,659	1,254,323,428
Commercial paper	170,500,000	211,400,000
Bank loans	464,765,268	434,167,911
Expenses with loans issuing	(13,052,014)	(15,196,037)
<b>Interest-bearing bank debt</b>	<b>1,706,468,913</b>	<b>1,884,695,302</b>
Financial leases	4,034,321	4,147,876
Other loans - QREN	6,881,745	7,108,517
<b>Other interest-bearing debts</b>	<b>10,916,066</b>	<b>11,256,393</b>
<b>Non-current interest-bearing liabilities</b>	<b>1,717,384,979</b>	<b>1,895,951,695</b>



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## Current interest-bearing liabilities

As of 31 March 2014 and 31 December 2013 current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2014	31-12-2013
<b>Current</b>		
Bond loans	205,851,132	40,000,000
Bank loans	171,719,619	161,510,145
<b>Interest-bearing bank debt</b>	<b>377,570,751</b>	<b>201,510,145</b>
Shareholders short- term loans	11,981,062	11,789,356
Financial leases	843,075	931,539
Other loans - QREN	2,038,170	1,811,398
Other debts	12,080,637	11,649,449
<b>Other interest-bearing debts</b>	<b>26,942,944</b>	<b>26,181,742</b>
<b>Current interest-bearing liabilities</b>	<b>404,513,695</b>	<b>227,691,887</b>

## 20. Payables and other current liabilities

As of 31 March 2014 and 31 December 2013 the caption Payables and other current liabilities comprised:

Amounts in Euro	31-03-2014	31-12-2013
Accounts payable to suppliers	212,345,396	202,140,900
Accounts payable to suppliers of fixed assets	1,843,202	5,134,608
Accounts payable to suppliers of fixed assets - Soporgen	1,429,759	1,468,551
Environmental institute	14,122,313	10,823,446
Derivative financial instruments	26,122,818	27,439,147
Other creditors	22,121,296	8,478,126
Related parties	2,402,655	2,826,922
Accrued costs	76,121,141	63,848,213
Deferred income	18,268,400	9,988,437
	<b>374,776,980</b>	<b>332,148,350</b>

As of 31 March 2014 and 31 December 2013 the captions Accrued costs and Deferred income comprised:

Amounts in Euro	31-03-2014	31-12-2013
<b>Accrued costs</b>		
Insurance costs	463,550	24,738
Payroll expenses	32,515,882	25,715,055
Interests payable	21,984,815	19,813,303
Accrued energy costs	8,448,363	6,625,787
Transport services	1,379,722	802,295
Bank services	211,714	548,229
Audit fees	174,601	177,599
Consulting fees	2,321,496	2,291,568
IT Services	-	179,027
Other	8,620,998	7,670,612
	<b>76,121,141</b>	<b>63,848,213</b>
<b>Deferred Income</b>		
Government grants	5,378,423	5,382,301
Grants - CO2 emission allowances	12,065,117	3,814,584
Others	824,860	791,552
	<b>18,268,400</b>	<b>9,988,437</b>

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## 21. Derivative financial instruments

As of 31 March 2014 and 31 December 2013 the fair value of hedging and trading derivative financial instruments was as follows:

Amounts in Euro	Amount	Maturity	31-03-2014			31-12-2013
			Positive	Negative	Net	Net
Hedging						
Interest rate collar (SWAP's)	225,000,000	2015	-	(11,557,574)	(11,557,574)	(11,075,860)
Coverage of net investment USD	25,050,000	2014	254,569	-	254,569	259,742
Hedging price of pulp and paper	9,138,381	2014	17,866	-	17,866	(38,316)
Interest rate swaps (SWAP'S)	165,000,000	2017	-	(6,051,827)	(6,051,827)	(5,571,693)
Interest and exchange rate swaps (BRL)	128,100,000	2017	-	(8,512,079)	(8,512,079)	(10,753,278)
			272,435	(26,121,480)	(25,849,045)	(27,179,405)
Trading						
Exchange rate forwards (EUR)	49,907,209	2014	4,559	(1,338)	3,221	549,601
			4,559	(1,338)	3,221	549,601
			276,994	(26,122,818)	(25,845,824)	(26,629,804)

## 22. Balances and transactions with related parties

As of 31 March 2014 and 31 December 2013 balances with related parties are detailed as follows:

Amounts in Euro	31-03-2014			31-12-2013		
	Other receivables (Note 14)	Other payables (Note 20)	Interest-bearing liabilities (Note 19)	Other receivables (Note 14)	Other payables (Note 20)	Interest-bearing liabilities (Note 19)
<b>Shareholders</b>						
Cimo SGPS, S.A.	-	-	246,805	-	-	231,148
Longapar, SGPS, S.A.	-	1,160	7,247,051	-	1,160	7,192,833
OEM SGPS, SA	-	-	1,497,914	-	-	1,486,152
Cimigest, SGPS, S.A.	-	-	2,989,292	-	-	2,879,223
<b>Other related entities</b>						
Ave-Gestão Ambiental, S.A.	113,043	380,486	-	102,995	342,586	-
Cotif Sicar	-	20,345	-	-	19,560	-
Inertogrande	205,178	-	-	204,678	-	-
J.M.J. Henriques, Lda.	115,183	-	-	114,683	-	-
Secil Prebetão, S.A.	257,793	21,084	-	210,470	22,047	-
Secil Unicon - S.G.P.S., Lda	46,703	-	-	44,328	-	-
Seribo, S.A.	-	306,679	-	-	305,476	-
Setefrete - Soc. Tráfego Cargas, S.A.	22,169	316,803	-	-	479,084	-
Supremo Cimentos, S.A.	15,274,137	-	-	1,001,030	-	-
Margem - Companhia de Mineração, S.A.	1,318,428	-	-	1,327,162	-	-
Other related entities	491,679	68,263	-	79,345	18,180	-
Other subsidiaries shareholders	819,911	1,287,835	-	480,122	1,638,829	-
<b>Total</b>	<b>18,664,224</b>	<b>2,402,655</b>	<b>11,981,062</b>	<b>3,564,813</b>	<b>2,826,922</b>	<b>11,789,356</b>

For the three months periods ended 31 March 2014 and 2013 transactions with shareholders were as follows:

Amounts in Euro	1st Q 2014		1st Q 2013	
	Service purchase	Financial costs (Note 8)	Service purchase	Financial costs (Note 8)
<b>Shareholders</b>				
Cimigest SGPS, S.A.	26,935	40,092	26,935	-
Cimo SGPS, S.A.	-	2,876	-	1,937
Longapar, SGPS, S.A.	-	75,891	-	50,120
OEM SGPS, S.A.	-	15,683	-	-
	<b>26,935</b>	<b>134,542</b>	<b>26,935</b>	<b>52,057</b>

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For the three months periods ended 31 March 2014 and 2013 transactions with other related parties were as follows:

Amounts in Euro	1st Q 2014				
	Service purchase	Sales of goods	Services rendered	Operating income	Financial (losses)/gains
<b>Other related entities</b>					
Ave-Gestão Ambiental, S.A.	(923.541)	-	16.391	77.864	-
Secil Prebetão, S.A.	(12.690)	207.890	-	3.291	-
Secil Unicon - SGPS, Lda.	-	-	-	-	-
Setefrete, S.A.	(739.669)	-	-	18.023	-
Supremo Cimentos, S.A.	-	2.856.457	-	10.337	-
Margem - Comp. <sup>a</sup> Mineração, S.A.	-	-	-	5.327	-
Others	-	-	437.341	-	215
	<b>(1.675.900)</b>	<b>3.064.347</b>	<b>453.732</b>	<b>114.842</b>	<b>215</b>

Amounts in Euro	1st Q 2013				
	Service purchase	Sales of goods	Services rendered	Operating income	Financial (losses)/gains
<b>Outras partes relacionadas</b>					
Ave - Gestão Ambiental, S.A.	(653,778)	11,935	-	17,223	-
Secil Prebetão, S.A.	(19,856)	138,328	-	-	-
Secil Unicon - SGPS, Lda.	-	-	-	-	2,492
Setefrete, S.A.	(462,650)	-	-	29,574	-
Supremo Cimentos, S.A.	-	2,914,307	-	-	-
Others	-	-	-	-	8,403
	<b>(1,136,284)</b>	<b>3,064,570</b>	<b>-</b>	<b>46,797</b>	<b>10,895</b>

## 23. Number of employees

As of 31 March 2014 and 31 December 2013 the number of employees in service of the Group's several companies, by business segment was as follows:

Segment	31-03-2014	31-12-2013	Var. 14/13
Pulp and paper	2.272	2.258	14
Cement and derivatives	2.047	2.125	(78)
Environment	283	286	(3)
Holdings and others	22	22	-
	<b>4.624</b>	<b>4.691</b>	<b>(67)</b>

## 24. Subsequent events

In April 2014, Semapa held a public offering of bonds amounting to Euro 150 million, maturing in 2019 and with a coupon rate corresponding to Euribor 6 months plus a spread of 3.25% a year.

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## 25. Companies included in the consolidation

Name	Head Office	Direct and indirect % of equity held by Semapa		
		Direct	Indirect	Total
Parent - company:				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon			
Subsidiaries				
Seminv, SGPS, S.A.	Lisbon	100,00	-	100,00
Seinpart, SGPS, S.A.	Lisbon	49,00	51,00	100,00
Seinpar Investments, B.V.	Amsterdam	100,00	-	100,00
Interholding Investments B.V. (ex Semapa Investments B.V.)	Amsterdam	100,00	-	100,00
Semapa Inversiones S.L.	Madrid	100,00	-	100,00
Celcimo SL	Madrid	-	100,00	100,00
Great Earth Projectos S.A.	Lisbon	100,00	-	100,00
NSOSPE - Empreendimentos e Participações, S.A.	Rio de Janeiro	54,42	45,58	100,00
Aboutbalance, SGPS, S.A.	Lisbon	100,00	-	100,00
Inspiredplace, S.A.	Lisbon	100,00	-	100,00

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## Subsidiary companies of sub-group Portucel – under full consolidation

Name	Head Office	% direct and indirect equity held by Portucel			% of shares held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Portucel, S.A.	Setubal	47,49	33,69	81,18	81,18
Subsidiaries:					
Soporcel - Sociedade Portuguesa de Papel, SA	Figueira da Foz	100,00	-	100,00	81,18
PortucelSoporcel Floresta, SGPS, SA	Figueira da Foz	100,00	-	100,00	81,18
Portucel Finance, Zoo	Poland	25,00	75,00	100,00	81,18
CELCACIA - Celulose de Cacia, S.A.	Aveiro	-	100,00	100,00	81,18
CountryTarget SGPS S.A.	Setubal	100,00	-	100,00	81,18
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, S.A.	Setubal	-	100,00	100,00	81,18
PortucelSoporcel Florestal - Sociedade para o Desenvolvimento Agro-Florestal, S.A.	Setubal	-	100,00	100,00	81,18
Afocelca - Agrupamento Complementar de Empresas para Proteção Contra Incêndios, ACE	Portugal	-	64,80	64,80	52,60
Enerforest - Empresa de Biomassa para Energia, S.A.	Setubal	-	100,00	100,00	81,18
Atlantic Forests, S.A.	Setubal	-	100,00	100,00	81,18
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Palmela	-	100,00	100,00	81,18
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94,00	94,00	76,31
Bosques do Atlantico, SL	Spain	-	100,00	100,00	81,18
PortucelSoporcel Pulp SGPS, S.A.	Setubal	100,00	-	100,00	81,18
Soporcel Pulp - Sociedade Portuguesa de Celulose, S.A.	Figueira da Foz	-	100,00	100,00	81,18
CELSET - Celulose de Setúbal, S.A.	Setubal	-	100,00	100,00	81,18
Portucel International GmbH	Germany	-	100,00	100,00	81,18
PortucelSoporcel Papel, SGPS S.A.	Setubal	100,00	-	100,00	81,18
Portucel Soporcel North America Inc.	USA	-	100,00	100,00	81,18
About the Future - Empresa Produtora de Papel, S.A.	Setubal	-	100,00	100,00	81,18
Portucel Papel Setúbal, S.A.	Setubal	-	100,00	100,00	81,18
PortucelSoporcel Sales & Marketing NV	Belgium	25,00	75,00	100,00	81,18
PortucelSoporcel Fine Paper , S.A.	Setubal	-	100,00	100,00	81,18
PortucelSoporcel España, S.A.	Espanha	-	100,00	100,00	81,18
PortucelSoporcel International, B.V.	Netherlands	-	100,00	100,00	81,18
PortucelSoporcel France, EURL	France	-	100,00	100,00	81,18
PortucelSoporcel United Kingdom, Ltd	UK	-	100,00	100,00	81,18
PortucelSoporcel Italia, SRL	Italy	-	100,00	100,00	81,18
PortucelSoporcel Lusa, Lda	Figueira da Foz	-	100,00	100,00	81,18
PortucelSoporcel Deutschland, GmbH	Germany	-	100,00	100,00	81,18
PortucelSoporcel Handels, GmbH	Austria	-	100,00	100,00	81,18
PortucelSoporcel Afrique du Nord	Marroco	-	100,00	100,00	81,18
PortucelSoporcel Poland SP Z O	Poland	-	100,00	100,00	81,18
PortucelSoporcel Switzerland, Ltd	Switzerland	25,00	75,00	100,00	81,18
PortucelSoporcel International	Switzerland	-	100,00	100,00	81,18
PortucelSoporcel Energia, SGPS S.A.	Setubal	100,00	-	100,00	81,18
SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA	Setubal	-	100,00	100,00	81,18
Enerpulp – Cogeração Energética de Pasta, S.A.	Setubal	-	100,00	100,00	81,18
PortucelSoporcel Cogeração de Energia, S.A.	Setubal	-	100,00	100,00	81,18
Soporgen - Soc. Portuguesa de Geração de Electricidade e Calor, S.A.	Figueira da Foz	-	100,00	100,00	81,18
PortucelSoporcel Participações, SGPS S.A.	Setubal	25,14	74,86	100,00	81,18
EucaliptusLand, S.A.	Setubal	-	100,00	100,00	81,18
Arboser – Serviços Agro-Industriais, S.A.	Setubal	-	100,00	100,00	81,18
Empremédia - Corretores de Seguros, Lda	Lisbon	-	100,00	100,00	81,18
EMA21 - Engenharia e Manutenção Industrial Século XXI, S.A.	Setubal	-	100,00	100,00	81,18
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	91,15	91,15	74,00
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setubal	-	92,56	92,56	75,14
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	91,47	91,47	74,26
Headbox - Operação e Controlo Industrial, S.A.	Setubal	-	100,00	100,00	81,18
Cutpaper - Transformação, Corte e Embalagem de Papel, ACE	Figueira da Foz	-	50,00	50,00	40,59
PortucelSoporcel Serviços Partilhados, S.A.	Figueira da Foz	-	100,00	100,00	81,18
PortucelSoporcel International Finance, BV	Netherlands	-	100,00	100,00	81,18
Colombo Energy Inc.	USA	-	100,00	100,00	81,18
PortucelSoporcel Internacional SGPS S.A.	Setubal	100,00	-	100,00	81,18
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial , Lda	Mozambique	25,00	75,00	100,00	81,18
Portucel Florestal Brasil - Gestão de Participações, Ltda	Brazil	25,00	75,00	100,00	81,18
PortucelSoporcel Abastecimento de Madeira, ACE	Setubal	60,00	40,00	100,00	81,18

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## Subsidiary companies of sub-group Secil – under full consolidation

Name	Head Office	% direct and indirect equity held by Secil			% of shares held by Semapa
		Direct	Indirect	Total	
Parent - company:					
Secil - Companhia Geral de Cal e Cimento, S.A.	Setubal	-	99.998	99.998	99.998
Subsidiaries:					
Secilpar, SL	Madrid	100.00	-	100.00	99.998
Somera Trading Inc.	Panama	-	100.00	100.00	99.998
Hewbol, S.G.P.S., Lda.	Funchal	-	100.00	100.00	99.998
Secil Cabo Verde Comércio e Serviços, Lda.	Praia	-	100.00	100.00	99.998
ICV - Inertes de Cabo Verde, Lda.	Praia	37.50	25.00	62.50	62.499
Florimar- Gestão e Participações, S.G.P.S., Lda.	Funchal	100.00	-	100.00	99.998
Seciment Investments, B.V.	Amesterdan	100.00	-	100.00	99.998
I3 Participações e Serviços, Ltda.	Rio de Janeiro	-	99.97	99.97	99.968
Serife - Soc. de Estudos e Realizações Industriais e de Fornecimento de Equip., Lda.	Lisbon	100.00	-	100.00	99.998
Silonor, S.A.	Dunkerque	100.00	-	100.00	99.998
Société des Ciments de Gabés	Tunis	98.72	-	98.72	98.716
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	98.716
Zarzis Béton	Tunis	-	98.52	98.52	98.519
Secil Angola, SARL	Luanda	100.00	-	100.00	99.998
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	50.999
Secil, Betões e Inertes, S.G.P.S., S.A.	Setubal	100.00	-	100.00	99.998
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	-	100.00	100.00	99.998
Britobetão - Central de Betão, Lda.	Evora	-	91.00	91.00	90.998
Eurobetão - Betão Pronto, S.A.	Lisbon	-	100.00	100.00	99.998
Secil Britas, S.A.	Lisbon	-	100.00	100.00	99.998
Lusoinertes, S.A.	Lisbon	-	100.00	100.00	99.998
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, S.A.	Leiria	51.19	48.81	100.00	99.998
IRP - Industria de Rebocos de Portugal, S.A.	Santarem	-	75.00	75.00	74.998
Ciminpart - Investimentos e Participações, S.G.P.S., S.A.	Lisbon	100.00	-	100.00	99.998
ALLMA - Microalgas, Lda.	Leiria	-	70.00	70.00	69.999
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	-	90.87	90.87	90.868
Cimentos Costa Verde - Comércio de Cimentos, S.A.	Lisbon	-	100.00	100.00	99.998
Solenreco-Produção e Comercialização de Combustíveis, Lda.	Oporto	-	98.00	98.00	97.998
Prescor Produção de Escórias Moídas, Lda.	Lisbon	-	100.00	100.00	99.998
CMP - Cimentos Maceira e Pataias, S.A.	Leiria	100.00	-	100.00	99.998
Ciments de Sibline, S.A.L.	Beirute	28.64	22.41	51.05	51.049
Soime, S.A.L.	Beirute	-	51.05	51.05	51.049
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	57.142
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	57.142
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	57.142
Madebritas - Sociedade de Britas da Madeira, Lda. (a)	Funchal	-	29.14	29.14	29.142
Pedra Regional - Industria Transformadora de Rochas Ornamentais, S.A. (a)	Funchal	-	29.14	29.14	29.142
Reficomb- Refinação e Comercialização de Combustíveis Derivados de Resíduos, S.A	Setúbal	100.00	-	100.00	99.998
Uniconcreto - Betão Pronto, S.A.	Lisbon	100.00	-	100.00	99.998

(a) Companies owned by 51% by Brimade, S.A. And therefore controlled by the Group

## Subsidiary companies of sub-group ETSA – under full consolidation

Name	Head Office	Direct and indirect % of equity held by ETSA			% shares held by Semapa
		Direct	Indirect	Total	
Parent - company:					
ETSA - Investimentos, SGPS, SA	Loures	99.99	-	99.99	99.99
Subsidiaries:					
ETSA LOG,S.A.	Loures	100.00	-	100.00	99.99
ABAPOR – Comércio e Industria de Carnes, S.A	Coruche	100.00	-	100.00	99.99
SEBOL – Comércio e Industria de Sebo, S.A.	Loures	100.00	-	100.00	99.99
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Coruche	100.00	-	100.00	99.99
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Loures	100.00	-	100.00	99.99
AISIB – Aprovechamiento Integral de Subprodutos Ibéricos. S.A.	Mérida	100.00	-	100.00	99.99

## 26. Note added for translation

The accompanying financial statements are a translation of financial statements originally issued in Portuguese. In the event of any discrepancies the Portuguese version prevails.

**BOARD OF DIRECTORS****Chairman:**

Pedro Mendonça de Queiroz Pereira

**Members:**

Francisco José Melo e Castro Guedes

José Miguel Pereira Gens Paredes

Paulo Miguel Garcês Ventura

António da Nóbrega de Sousa da Câmara

Joaquim Martins Ferreira do Amaral

António Pedro de Carvalho Viana Baptista

Vitor Manuel Galvão Rocha Novais Gonçalves